CITY OF KIRKLAND
Department of Finance & Administration
123 Fifth Avenue, Kirkland, WA 98033 425.587.3100
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MEMORANDUM

To: Kurt Triplett, City Manager

From: Tracey Dunlap, Deputy City Manager

Date: September 3, 2015

Subject: IMPACT FEE RATE STUDIES AND RELATED ISSUES

RECOMMENDATION:

City Council receives a briefing on the rate study results for Park and Transportation impact fees, Lake Washington School District's request for an increase to the School impact fee, and impact fee deferral changes necessitated by new legislation.

BACKGROUND DISCUSSION:

As part of the Kirkland 2035 efforts, staff has been working to update the Park and Transportation impact fees charged to new development. The City Council received an introduction to this topic and related policy issues at the April 7, 2015 Study Session (with follow up on April 21) and additional background information as part of the Capital Improvement Plan (CIP) funding discussion at the May 29, 2015 Council Retreat. The rate studies are complete and the results are summarized in this memorandum and its attachments, which will be presented at the September 15 Regular Meeting. In addition, the Lake Washington School District has requested that the City increase the School impact fee consistent with their capital facilities plan update and will be in attendance. Lastly, the State Legislature required an impact fee deferral option as part of a bill approved during the last legislative session that requires deferrals for both single-family and multi-family units. This necessitates some changes to the City's existing deferral program which only applies to single-family units.

Separate attachments contain the details of each issue and supporting documents as follows:

Attachment 1 – Transportation Impact Fees
Attachment 2 – Park Impact Fees
Attachment 3– School Impact Fees
Attachment 4 – Impact Fee Deferrals

Draft results were reviewed with the Finance & Administration Committee on August 25 and the Public Works, Parks, & Human Service Committee on September 2. The Staff is seeking final policy guidance from the Council on the policy issues summarized on the following pages.

Transportation Impact Fees

- Because of the multimodal nature of the Transportation Master Plan (TMP), a wider variety of transportation improvements have been included in the calculation of impact fees, including improvements on the Cross Kirkland Corridor. Also because of the multimodal TMP, proposed impact fees are based on person trips rather than vehicle trips. **Staff recommends that the Transportation Impact fees be based on the new methodology, resulting in a single family impact fee of $4,846 (an increase of $904 from the current fee), a multifamily fee of $2,762 (an increase of $451 from the current fee), and a change in the commercial fees from $3,903 per vehicle trip to $3,342 per person trip (the impact will vary by land use).**

- The current ordinance suspending the collection of impact fees for changes in use expires at the end of 2015 (Kirkland Municipal Code 27.04.035). Staff will be presenting three options: begin charging the fee, permanently remove charging for changes in use, or adopting a policy for changes in use that generate more than 25 new trips.

- There is currently a provision to discount impact fees in the Central Business District for certain land uses. **Staff recommends eliminating the discount to improve equity in the fee structure across the entire City.**

Park Impact Fees

- Kirkland's current methodology for Park impact fees uses level of service standards based on acres of park land and square feet of indoor recreation space. An alternative methodology developed in other cities is to assess new development a fee based on the replacement value of the existing overall park system, divided by population to determine the park value per person (investment per capita). The proposed Parks, Recreation and Open Space (PROS) plan reflects the changes necessary to implement this alternate methodology. **Staff recommends using the alternative methodology, resulting in a single family impact fee of $3,968 (an increase of $19 from the current fee) and a multifamily fee of $3,016 (an increase of $433 from the current fee primarily because the new census data shows that multi-family households have increased from about 1.6 to about 1.9 persons).**

- Kirkland does not charge Park impact fees to commercial (i.e. non-residential) development. Some cities have determined the impact of commercial development on parks by determining "equivalent population" for different types of development. The City's consultant provided an example of how this approach might look for Kirkland. **Staff recommends that the Council defer consideration of commercial impact fees until the completion of several major developments that are currently in process.**

School Impact Fees

- Lake Washington School District is requested that the City increase School Impact Fess consistent with their updated capital facilities plan. **Staff recommends approving the increase requested by LWSD, resulting in a single family impact fee of $9,715 (an increase of $92 from the current fee) and a multifamily fee of $816 (an increase of $71 from the current fee).**

The cumulative impact of all of the fee recommendations is summarized in the table below.

Summary of Proposed Impact Fees

	Current	Proposed	Change
Single Family			
Transportation	3,942	4,846	904
Park	3,949	3,968	19
School	9,623	9,715	92
Total Single Family	**17,514**	**18,529**	**1,015**
Multifamily (per unit)			
Transportation	2,311	2,762	451
Park	2,583	3,016	433
School	745	816	71
Total Multifamily	**5,639**	**6,594**	**955**
Commercial	per vehicle trip	per person trip	Varies by Use
Transportation	3,903	3,342	(561)
Park	n/a	n/a	n/a
School	n/a	n/a	n/a

Impact Fee Deferrals

Since 2010, the City has provided for voluntary deferral of payment of impact fees by single family development until closing of the sale. Legislation passed in 2015 requires all agencies to have an impact fee deferral program for single family and multifamily residential construction, necessitating some changes to the current program. **Staff recommends that the program be extended to multifamily, with fees collected either at building permit issuance or at 18 months (the limit provided in the statute), whichever is sooner, and modifying the single family deferral to be consistent with this approach.**

Staff convened a meeting of developers to discuss the proposed changes on September 3, 2015. Representatives of eight development firms and the Master Builders were in attendance and provided valuable feedback and appreciated the City's willingness to meet with them before the proposals were brought forward from Council action.

Based on Council feedback on September 15, staff will prepare ordinances for adoption on December 8, with an effective date of January 1, 2016.

CITY OF KIRKLAND
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MEMORANDUM

To: Kurt Triplett, City Manager

From: David Godfrey, P.E., Transportation Engineering Manager
Kathy Brown, Public Works Director

Date: September 3, 2015

Subject: TRANSPORTATION IMPACT FEES

RECOMMENDATION:

It is recommended that City Council receive a briefing and provide direction concerning the updating of Transportation impact fees.

BACKGROUND DISCUSSION:

Council received a briefing on transportation impact fees in November 2014 and April 2015. Since that time, staff has refined the 20 year project list and land use forecasts and has finalized impact fee rates as described in the Transportation Impact Fee Rate Study (Attachment A).

Transportation impact fees are designed to collect a fair share of transportation capacity improvement costs from new development. The Growth Management Act allows impact fees to be charged for system improvements that reasonably relate to the impacts of new development and specifies that fees are not to exceed a proportionate share of the costs of improvements.

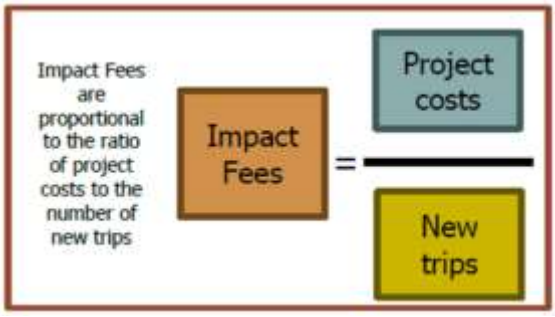

Figure 1. Relation of project costs and new trips to Impact Fees.

Impact fees are part of a development's transportation mitigation requirements. Developments also must undergo a concurrency evaluation, which determines whether there is sufficient transportation infrastructure to support the new development. Developers pay an impact fee to cover a development's share of the transportation system costs. Developments are also subject to SEPA review and are required to make improvements that arise from code requirements, for example installing sidewalk along a property's frontage.

Impact fee rates are a function of the ratio of:
1. The costs of capital capacity projects needed in order to support future growth to;
2. The number of new trips that are expected from new development over the same period.

Updates to the fees are necessitated by one of the following changes in the impact fee calculation ratio:

- Significant changes in the list of projects that support capacity ("project costs" in Figure 1), or;

- Significant changes to the land use plan from which trips are projected ("new trips" in Figure 1).

Typically, impact fee updates are updated every three years.

The Draft Transportation Master Plan currently under review by the City Council establishes a multimodal transportation approach to supplying system capacity. As part of the Transportation Master Plan, a network of roadway, biking, walking and transit projects has been described and confirmed by City Council. Therefore, the breadth of transportation projects considered for impact fees has been expanded to include a wider range of projects that provide person trip capacity, rather than only auto trip capacity. This is a significant and forward-thinking policy departure from the current impact fee program, which is almost exclusively auto oriented.

This change in approach to impact fees requires a larger project list. This means that there will be more costs eligible for funding by impact fee revenues. At the same time, however, the growth forecasts for the City over the next 20 years are higher than they were when the current impact fee program was developed. This higher growth rate, coupled with the expanded definition of capacity to include non-motorized modes, yields a larger base over which to spread the impact fee costs, partially counteracting the effect on rates from increasing the number of projects eligible for impact fee funding. (See Figure 1.)

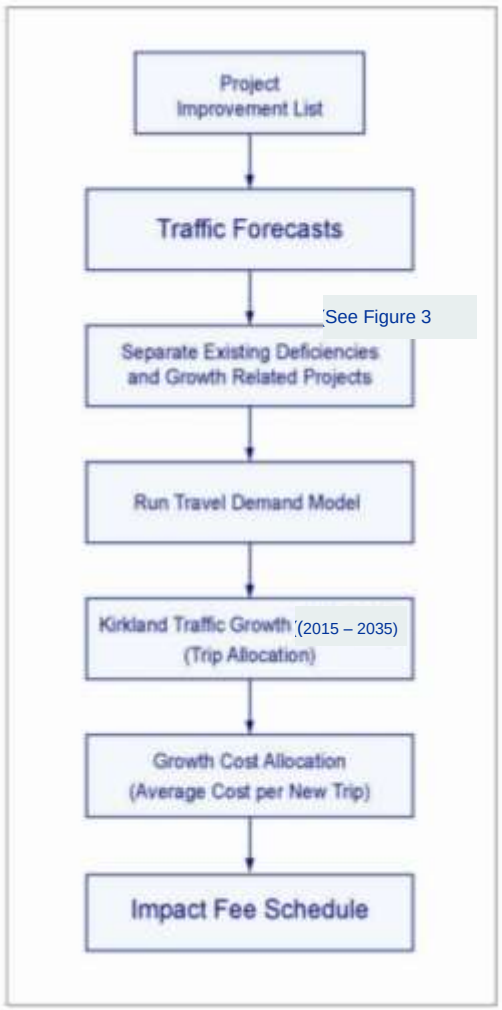

Figure 2. Impact Fee Methodology

Methodology

The steps involved in development of Kirkland's impact fees are shown in Figures 2 and 3. The key steps include:

- Establishing travel forecasts and trip patterns (based on land use data and the future transportation network);
- Identifying growth-related transportation projects and costs; and,
- Preparing the fee schedule.

Project List

As described above, a multimodal project list that goes beyond the traditional roadway and intersection capacity projects has been compiled and is detailed in the rate study (Attachment A). The total project list includes the modal components shown in Table 1.
The total project list cost of $127 million is more than twice the cost of the current impact fee program.

Table 1. Impact Fee project costs by Mode

Transportation Mode	Cost (millions)
Motor Vehicles (traffic capacity; efficiency-ITS)	$66
Transit (speed & reliability; passenger environment)	$1
Walk (sidewalks; Cross Kirkland Corridor)	$36
Bike (bike lanes; greenways)	$24
Total Impact Fee Project List	**$127**

These projects all add person trip capacity to the City's transportation network. Notably, the list includes a portion of the Cross Kirkland Corridor (CKC) costs, since the CKC will provide a vital north-south transportation link within the City. To facilitate calculation of the CKC component and other non-motorized portions of the fee, person movement rather than traffic volumes are used to calculate trips for the impact fee program.

Costs and trips for Impact Fees
Impact fees cannot be used to fund projects that address existing deficiencies or growth impacts that occur from growth outside of Kirkland (see Figure 3). Because of this, only approximately $50 Million (40%) of the total project costs is allocated to the impact fee calculation.

Because of greater anticipated growth in development, the new 20-year growth forecasts at 15,000 trips are about 70 percent higher than the previous forecasts.

Impact Fee Rate
The impact fee eligible costs are divided by the projected person trip growth to produce a "cost per trip." (See Figure 1.) Dividing the $50.128 million in project costs by the 15,000 trips gives a PM Peak Hour Cost per Person Trip of $3,341.85

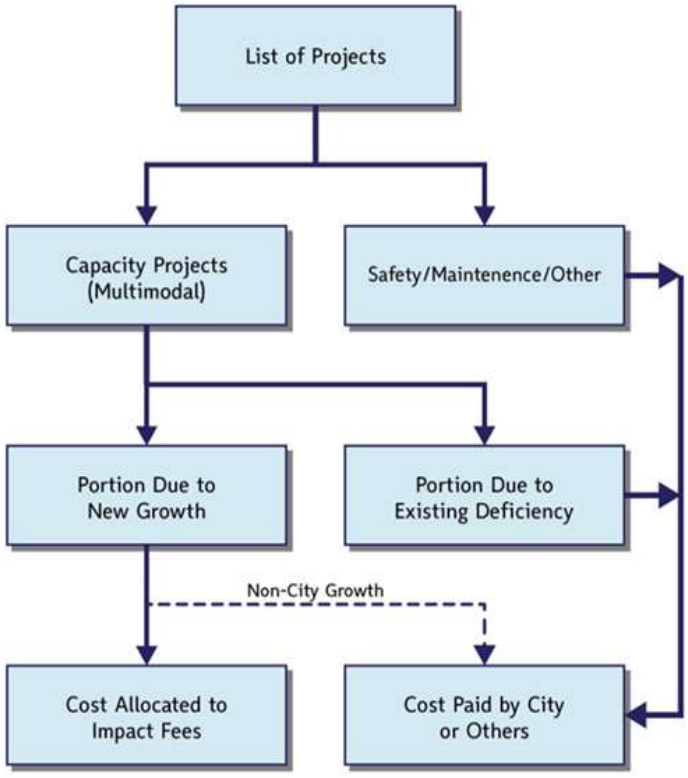

Figure 3. Project costs allocated to Impact Fees

To compare the new rate with the current rate, it's necessary to convert the new person trip rate to an equivalent rate based on vehicle trips since the current impact fee rate is based on vehicle trips. The new rate is approximately $4,579 per vehicle trip and the current rate is $3,903.26 per vehicle trip end.

In the final step of the impact fee process, the cost per trip is converted into an impact fee schedule that shows fees as dollars per unit of development for different land use categories. Rates for some selected land uses are shown in the Table 2 below. A full comparison of

proposed rates versus existing rates is shown below in Table 4 on page 7. The more detailed fee schedule is included in the Rate study (Attachment A).

Table 2 Existing and proposed Impact Fees for selected Land Use categories.

Land Use	Unit	Fee/unit		
		Existing	Proposed	Proposed -Existing
Detached Housing	Dwelling	$3,942	$4,846	$904.00
Attached Housing	Dwelling	$2,311	$2,762	$451.00
Restaurant	Square Feet	$22.72	$16.61	($6.11)
Shopping Center	Square Feet	$4.62	$4.78	$0.16
General Office	Square Feet	$7.63	$7.71	$0.08
Industrial Park	Square Feet	$5.33	$4.92	($0.41)

As can be seen in Table 2, the percentage difference between new and proposed rates differs based on land use. This is due in part to the change from vehicle trips to person trips as a basis for computing impact fees. The ratio of the vehicle-to-person trip conversion factor varies by land use category. For example, residential uses have a high ratio of person trips to vehicle trips (1.45 person trips for every vehicle trip for detached housing). This results primarily from the additional walking and biking trips that originate at a home compared to other land uses. A complete list of person trip to vehicle trip ratios are shown in Table 3 of the Rate Study (Attachment A).

As shown in Table 3 below, the new rate is at the lower range of impact fee rates being charged by cities on the Eastside.

Table 3 Transportation Impact Fees for selected Eastside Cities

City	Cost per single family house
Sammamish	$14,204
Issaquah	$7,904
Newcastle	$6,475
Bothell	$5,481
Redmond	$5,159
Kirkland (Proposed)	**$4,846**
Bellevue (2016 rate)	$4,419
Woodinville (2016 rate)	$3,950
Kirkland (Existing)	**$3,942**
Renton	$2,857

<u>Change in use</u>
Change in use refers to a change in the use of a building and corresponding increases in impact fees. For example, as can be seen from Table 2, if a General Office space ($7.71/sq. ft.) were converted to a Restaurant ($16.61/sq. ft.), a case could be made that additional impact fees would be due: ($16.61 – $7.71)/square foot.

The City Council approved Ordinance 4288 on January 18, 2011 which temporarily suspended the charging of impact fees for change-in-use of existing buildings through December 31, 2013. The fees were suspended in response to direction received from the City Council related to the recession's effect on economic development. On December 11, 2012 the Council approved Ordinance 4393 which extended the suspension through December 31, 2014. In November of 2014, Council renewed an ordinance suspending the charging of impact fees relating to changes in land use (KMC 27.04.035); that ordinance expires at the end of 2015.

Based on Council direction, a decision as to whether or not to continue the suspension of change in use fees is to be made as part of the current update to impact fees. As described above, the main reason for suspending change in use impact fees was to eliminate possible barriers to new businesses. A related reason was that a change in use fee may hit small businesses particularly hard. On the other hand, suspension of impact fees for changes in use causes new trips to be put on the network without making payment of their fair share of system improvements.

Data on the changes in use for the period 2011 through 2014 were presented in November of 2014, and are included here as Attachment B. The fee suspension was used heavily in 2011 and 2012 ($403,889 in 2011 and $511,996 in 2012) and then tapered off in 2013 and has been used only once in 2014 through August of 2015.

In previous briefings, we discussed a General Retail designation that would remove the need to pay an impact fees for a change in use where this designation was in place. After further discussions between staff and the consultants, staff has developed another option the Council may wish to consider.

This option is to make change in use cases that generate less than 25 PM peak person trip ends from the new use exempt from impact fees when there is a change in use. The reasoning for using 25 person trips as a threshold is as follows. Attachment B shows a rough break point in the size of developments that previously used the change in use fee at 5,000 square feet (sf).; most of the change in use cases were either less than or considerably larger than 5,000 sf. Considering a variety of land uses, a 5,000 sf development generates about 25 PM peak hour person trip ends. Therefore, using 25 trips would preserve the benefits to smaller developments, but retain the ability to capture fair share payments from larger developments. Change of use impact fees would still apply when a building is replaced, enlarged, or substantially redeveloped.

Council may want to consider other options for handling change in use such as:

1. Fully charge for changes in use.
2. Continue with no changes for any changes in use.
3. Waive change in use fees for certain types of land use such as one type of retail to another type of retail.

<u>Discounting in Downtown Kirkland</u>
There is currently a provision for discounting impact fees in the Kirkland Central Business District (CBD) for certain land uses.

Staff is recommending eliminating this discount for the following reasons:

- Discounting downtown developments essentially means that non-downtown developments would be subsidizing downtown transportation projects.

- Other high density centers, such as Totem Lake, are important targets for future development, similar to downtown Kirkland. It would not be equitable to continue to provide for discounts to the downtown, without providing discounts to other dense areas of the City, especially the City's only designated urban center. Lowering the fees in multiple economic centers of the City would further exacerbate the subsidies of these areas by all other parts of the City.

- Impact fees are not of such a magnitude that they would likely have an adverse impact on the viability of further development in downtown Kirkland.

Table 4. Comparison of Existing and Proposed Impact Fee Rates

Land Use	Unit of Measure	Previous Fee Per Unit	New Fee per Unit	Proposed - Existing
			persons	
Cost per Trip End >			$3,341.85	
Residential				
Detached Housing	dwelling	$ 3,942.00	$ 4,845.69	$ 903.69
Attached and Stacked Housing	dwelling	$ 2,311.00	$ 2,762.04	$ 451.04
Senior Housing	dwelling	$ 1,155.00	$ 1,381.02	$ 226.02
Nursing Home	bed	$ 687.00	$ 717.56	$ 30.56
Congregate Care/ Assisted Living	dwelling	$ 531.00	$ 554.48	$ 23.48
Commercial - Services				
Drive-in Bank	sq ft/GFA	$ 45.91	$ 27.60	$ (18.31)
Walk-in Bank	sq ft/GFA	$ 44.36	$ 16.96	$ (27.40)
Day Care Center	sq ft/GFA	$ 22.05	$ 21.56	$ (0.49)
Hotel	room	$ 2,632.00	$ 3,322.76	$ 690.76
All Suites Hotel	room	$ 1,784.00	$ 2,215.17	$ 431.17
Service Station/Minimart	VFP	$ 7,610.00	$ 11,771.61	$ 4,161.61
Movie Theater	screens	N/A	$ 31,062.77	N/A
Health Club	sq ft/GFA	$ 10.50	$ 9.56	$ (0.94)
Racquet Club	sq ft/GFA	$ 2.17	$ 2.87	$ 0.70
Marina	Berth	$ 587.00	$ 617.50	$ 30.50
Commercial - Institutional				
Elementary School/Jr. High School	student	$ 500.00	$ 279.57	$ (220.43)
High School	student	$ 312.00	$ 272.58	$ (39.42)
University/College	student	$ 636.00	$ 534.68	$ (101.32)
Church	sq ft/GFA	$ 2.72	$ 2.37	$ (0.35)
Hospital	sq ft/GFA	$ 5.27	$ 4.33	$ (0.94)
Commercial - Restaurant				
Quality Restaurant	sq ft/GFA	$ 22.72	$ 16.61	$ (6.11)
High-Turnover Restaurant	sq ft/GFA	N/A	$ 22.24	N/A
Fast Food Restaurant w/o drive thru	sq ft/GFA	$ 29.16	$ 30.46	$ 1.30
Fast Food Restaurant w drive thru	sq ft/GFA	$ 38.63	$ 38.03	$ (0.60)
Industrial				
Light Industry/High Technology	sq ft/GFA	$ 6.08	$ 5.61	$ (0.47)
Industrial Park	sq ft/GFA	$ 5.33	$ 4.92	$ (0.41)
Warehousing/Storage	sq ft/GFA	$ 2.92	$ 1.85	$ (1.07)
Commercial - Retail				
Shopping Center	sq ft/GLA	$ 4.62	$ 4.78	$ 0.16
Auto Parts Sales	sq ft/GFA	$ 5.92	$ 6.75	$ 0.83
Auto Care Center	sq ft/GLA	$ 4.48	$ 4.31	$ (0.17)
Car Sales - New/Used	sq ft/GFA	$ 10.83	$ 11.23	$ 0.40
Convenience Market	sq ft/GFA	$ 34.19	$ 38.89	$ 4.70
Discount Club	sq ft/GFA	$ 13.24	$ 12.27	$ (0.97)
Free Standing Discount Store	sq ft/GFA	$ 8.30	$ 8.89	$ 0.59
Hardware/Paint Store	sq ft/GFA	$ 6.42	$ 7.09	$ 0.67
Home Improvement Superstore	sq ft/GFA	$ 4.02	$ 3.31	$ (0.71)
Nursery/Garden Center	sq ft/GFA	$ 5.04	$ 9.62	$ 4.58
Pharmacy(with Drive Through)	sq ft/GFA	$ 8.17	$ 10.01	$ 1.84
Quick Lubrication Vehicle Shop	Service Bay	$ 3,936.00	$ 4,111.07	$ 175.07
Supermarket	sq ft/GFA	$ 18.36	$ 14.84	$ (3.52)
Tire Store	Service Bay	$ 5,030.00	$ 5,047.35	$ 17.35
Miscellaneous Retail	sq ft/GLA		$ 4.78	$ 4.78
Commercial - Office				
General Office Building	sq ft/GFA	$ 7.63	$ 7.71	$ 0.08
Medical Office/Clinic	sq ft/GFA	$ 14.93	$ 14.48	$ (0.45)
Notes:				
VFP= Vehicle Fueling Positions (Maximum number of vehicles that can be fueled simultaneously)				
GFA= Gross Floor Area				
For uses with Unit of Measure in sq ft, trip rate is given as trips per 1000 sq ft				
Note 1. Senior Housing rate is 1/2 of Attached and Stacked Housing rate				

ATTACHMENT A TO ATT 1

Transportation Impact Fee Update

Rate Study

Prepared for:
City of Kirkland

September 2015

SE13-0304

by

FEHR & PEERS

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INTRODUCTION

This report provides an update to the Transportation Impact Fee Program for the City of Kirkland. The update was prepared for the following reasons:

- The Growth Management Act (GMA) requires regular updates to impact fee programs. The last Transportation Impact Fee program update was adopted by the City in 2007.
- New projects have been added from the City's Transportation Master Plan (TMP) and Capital Improvement Program (CIP), while projects on the original impact fee project list have been completed.
- The costs of projects on the impact fee project list have increased due to inflation and changing project scope since the last program update in 2007.
- The patterns of traffic growth, land use, and redevelopment have changed.

The remaining sections of the report describe the impact fee program methodology, the analyses performed, and the resulting recommendations.

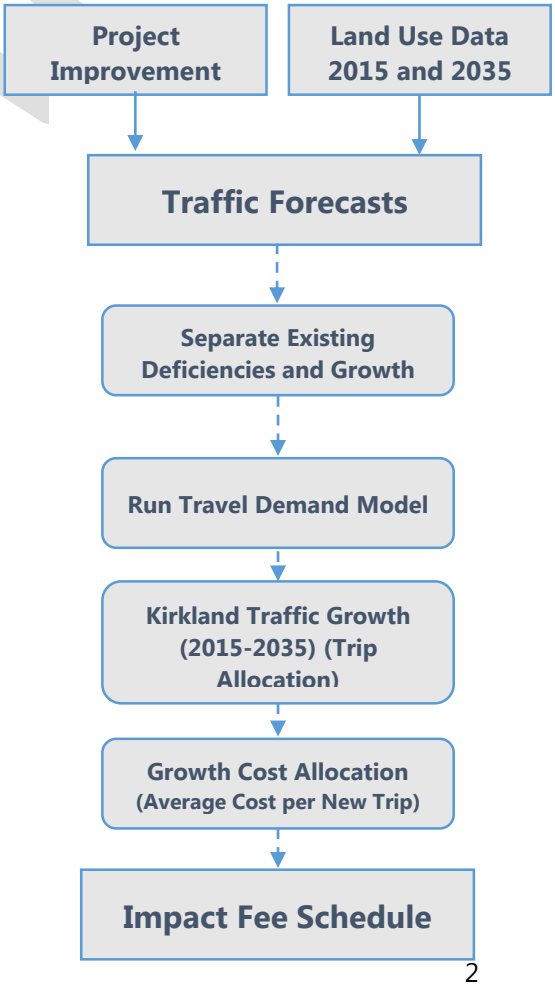
METHODOLOGY

The impact fee structure for the City of Kirkland was designed to determine the fair share of improvement costs that may be charged for a new development. The GMA allows impact fees for system improvements that reasonably relate to the impacts of new development, and specifies that fees are not to exceed a proportionate share of the costs of improvements.

The following key points summarize the impact fee structure (refer to **Figure 1)**:

- A 20-year project improvement list (2015 – 2035) oriented to future growth was developed.
- Existing deficiencies were identified and separated from future trips on the roadway system.
- Future trips were allocated to geographic areas inside and outside the City.
- A land use-based fee schedule was developed.

Figure 1. Impact Fee Structure



IMPACT FEE PROJECT LIST

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 roadways, as well as new roadway connections that are built in one location to benefit projected needs at another location. These are generally projects that add capacity (new streets, additional lanes, widening, signalization, etc.).

During the City's Transportation Master Plan (TMP) process, the City identified transportation projects needed by 2035 to meet the adopted Level of Service (LOS) standards and ensure that adequate facilities are provided for all travel modes. As a result, the impact fee project list includes a network of vehicular, biking, walking and transit-supportive projects on the city's roadway system. These capital projects form the basis for the City's impact fee and the 2035 concurrency project list.

The resulting project list is shown in **Table 1**. These projects are also shown in **Figure 2**. The total project list includes the following modal components:

- Motor vehicles (traffic capacity; efficiency-ITS) - $66 million
- Transit (speed & reliability; passenger environment) - $1 million
- Walk (sidewalks; Cross Kirkland Corridor) - $36 million
- Bike (bike lanes; greenways) - $24 million
- **Total Impact Fee Project List - $127 million**

The total project list cost of $127 million is over double the cost of the current impact fee program.

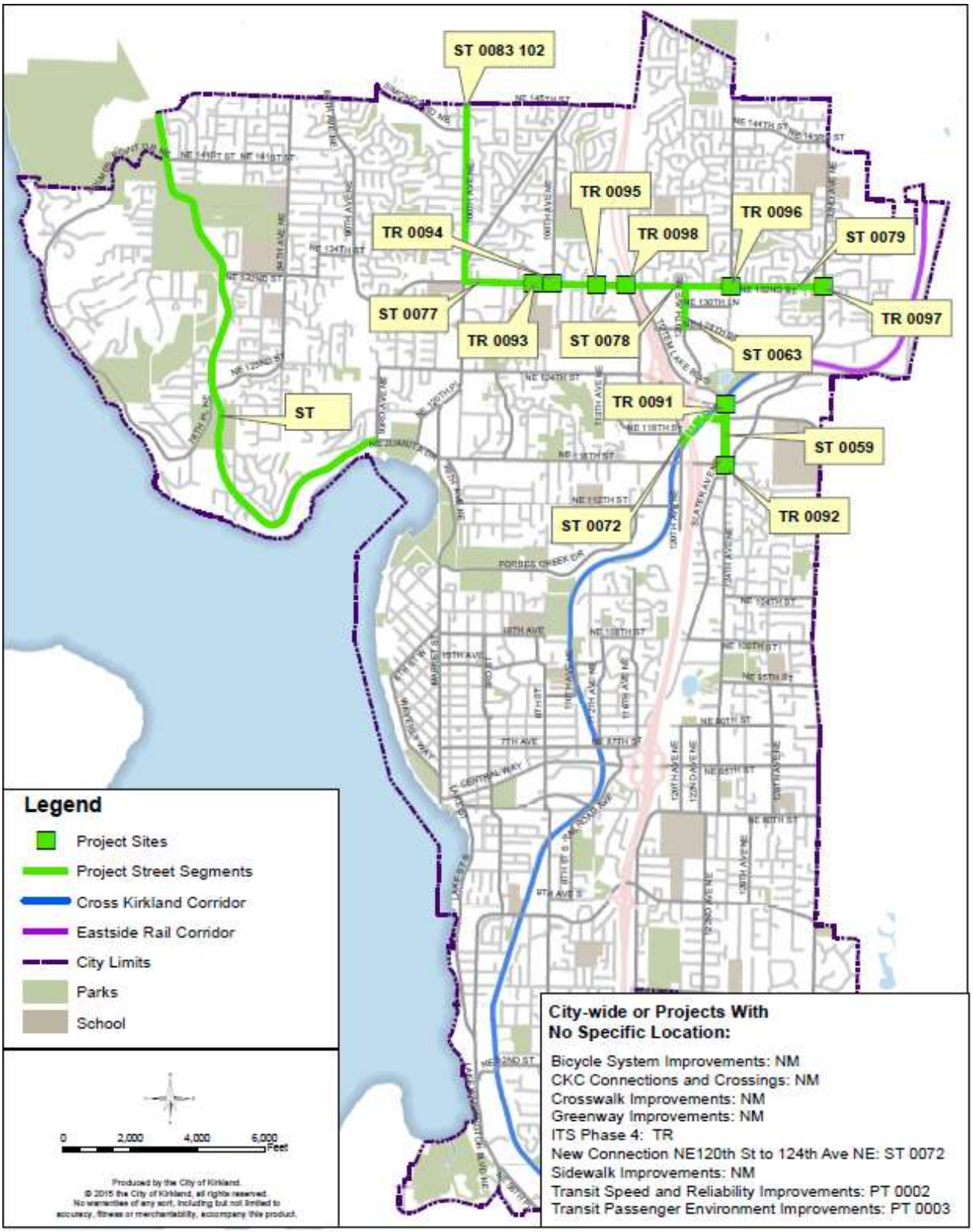
These projects all add person capacity to the city's transportation network. Notably, the list includes a portion of the Cross Kirkland Corridor (CKC) costs, since the CKC will provide a vital north-south transportation link within the city. The impact fee portion of the CKC focuses on providing effective crossings of existing roadways.

TABLE 1. IMPACT FEE PROJECTS

Transportation Impact Fees- Project List

ID	Project Title	Project Description	Source	Estimated Cost
Roadway				
R1	NE 132nd Phase I (west)	Rechannelize, sidewalks, bike lanes	ST 0077	$ 1,348,000
R2	NE 132nd Phase I (mid)	Rechannelize, sidewalks, bike lanes	ST 0078	$ 316,000
R3	NE 132nd Phase I (east)	Rechannelize, sidewalks, bike lanes	ST 0079	$ 1,119,000
R4	NE 132nd St/Juanita High School Access Road Intersection Improvements	Construct a 250 foot eastbound right turn lane to allow this intersection to maintain a vehicular level of service less than the required 1.4 volume to capacity ratio.	TR 0093 000	$ 916,000
R5	NE 132nd St/108th Ave NE Intersection Improvements	Construct a 250 foot westbound right turn lane to allow this intersection to maintain a vehicular level of service less than the required 1.4 volume to capacity ratio.	TR 0094 000	$ 618,000
R6	NE 132nd St/Fire Station Access Intersection Improvement	Modify existing signal to include pedestrian actuated option, as recommended in the NE 132nd Street Master Plan.	TR 0095 000	$ 366,000
R7	NE 132nd St/124th Ave NE Intersection Improvements	Extend existing eastbound left turn lane to 500 feet and add a second 500 foot eastbound left turn lane. Widen and restripe east leg, and north leg.	TR 0096 000	$ 5,713,000
R8	NE 132nd St/132nd Ave NE Intersection Improvements	Extend the eastbound left turn and right turn lanes to 500 feet.	TR 0097 000	$ 889,000
R9	NE 132nd St/116th Way NE - Totem Lake Boulevard (I-405) Intersection Improvements	Coordination of City ROW and intersection improvements in association with the WSDOT's Half-Diamond Interchange at NE 132nd Street and I-405, between 116th Way NE and Totem Lake Blvd.	TR 0098 000	$ 300,000
R10	100th Ave NE Roadway Improvements	Widen existing roadway to improve current 5-lane to 2-lane transition.	ST 0083 102	$ 10,000,000
R11	Juanita Drive Improvements	Roadway improvements from Juanita Drive Corridor Master Plan	ST _____	$ 5,500,000
R12	NE 124th St/124th Ave NE Intersection Improvements	Widen north (southbound) leg to allow second left-turn lane, extend right-turn-only lane to become a through-right (right of way acquisition at railroad triangle required).	TR 0091 000	$ 3,503,300
R13	NE 116th St/124th Ave NE Northbound Dual Left-turn lanes	This project will reconstruct the south leg (124th Ave NE) of the intersection to allow for two northbound left-turn lanes from 124th Ave NE to NE 116th Street.	TR 0092 000	$ 1,700,000
R14	120th Avenue NE (NE 128th St to NE 132nd St)	Widen to a 5 lane cross section. Three signalized intersections will be reconstructed.	ST 0063 000	$ 4,500,000
R15	ITS Phase 4	ITS Communication System and ITS Signal Upgrades adaptive control and traveler information updates	TR _____	$ 3,620,000
R17	124th Ave NE (NE 116th St to NE 124th St)	Widen to 5 lanes	ST 0059 000	$ 10,000,000
R18	NE 120th St Extension (124th Ave NE to 120th Ave NE under I-405)	New connection	TR 0072	$ 15,708,609
Transit				
T1	Transit Speed and Reliability Improvements	Citywide improvements for transit speed and reliability	PT 0002	$ 500,000
T2	Transit Passenger Environment Improvements	Citywide improvements to transit stops	PT 0003	$ 500,000
Non-Motorized				
NM1	Bicycle system	Bicycle system including buffered lanes	NM _____	$ 17,900,000
NM2	Greenways	Full Greenway Network	NM _____	$ 6,000,000
NM3	Cross Kirkland Corridor Connections and Crossings	CKC Connections and Street Crossings	NM _____	$ 17,467,000
NM4	Walkways	Walkway on one side of collector and arterials- School Walk Routes and 10 minute neighborhoods	NM _____	$ 13,500,000
NM5	Crosswalks	Crosswalks on arterials	NM _____	$ 5,030,000
Total				**$ 127,013,909**

Figure 2. Transportation Impact Fee Projects



TRAVEL GROWTH

For the impact fee analysis, a 20-year travel growth estimate was used consistent with the city's adopted land use plan. **Table 2** shows Kirkland land uses in terms of housing (single family and multi-family) and employment (retail, office, and industrial) units for the years 2010 and 2035. The 2010 data were subsequently adjusted to 2015 to account for previously approved and occupied developments.

TABLE 2. KIRKLAND LAND USE GROWTH

Land Use Category	Unit of Measure	2010	2035	Growth
Single Family Housing	Dwelling Units	29,125	30,160	1,035
Multi-Family Housing	Dwelling Units	7,740	15,130	7,390
Office/Education	Employees	25,250	35,320	10,070
Retail	Employees	7,580	15,110	7,530
Industrial	Employees	5,640	10,130	4,490

Source: City of Kirkland

The land use growth forecasts are higher than they were when the current impact fee program was developed, resulting in about 70 percent higher travel volumes over 20 years compared with the previous forecasts. Part of this increase is due to the geographic expansion of the city in 2011.

To facilitate analysis of all modes, the travel growth associated with the land use was calculated as person volumes rather than traffic. Using the city's travel demand model and professionally-accepted trip generation tools, an estimate of 15,000 new PM peak hour person trip ends[1] was estimated for the 2015-2035 period.

COST ALLOCATION

To meet GMA requirements, the City uses an impact fee methodology that distinguishes between facility improvements that address existing deficiencies and those that are needed to serve new growth. The resulting growth-related improvements are then separated into the Kirkland and non-Kirkland portions.

[1] A trip travels between an origin and a destination. Each trip has two trip ends, one each at the origin and destination. Trip ends represent the persons coming to and from a given land use. The person trip ends were calculated using an average of results obtained from trip generation formulas used by the Institute of Transportation Engineers and the City's travel demand model.

TRANSPORTATION DEFICIENCIES

Transportation deficiencies were calculated separately for motorized and non-motorized projects. For motorized projects, existing Levels of Service (LOS) were calculated at a corridor level consistent with the new Level of Service methodology adopted as part of the TMP. Using this method, there were no existing motorized deficiencies identified.

For non-motorized and transit-supportive projects, a different approach to deficiency analysis was taken, since these types of projects do not lend themselves to a traditional LOS analysis. Instead, an assumption was made that both existing and future travelers create the need for these projects proportional to their magnitude of trip making. By comparing the existing and future land uses (**Table 2**) and resulting trip generation, it was estimated that new growth would represent about 25 percent of total travelers in 2035. Conversely, 75 percent of travel would come from existing land uses, constituting the 'existing deficiency' portion.

PERCENT OF GROWTH WITHIN KIRKLAND

Once existing deficiencies were removed, the remaining costs are attributable to growth. However, not all of the growth comes from Kirkland development – there is a portion of growth that comes from surrounding jurisdictions. Adjustments were made for trips that pass through Kirkland or only have one end of the trip starting or ending in Kirkland.

For motorized projects, the City's travel demand model was used to determine the proportions of traffic growth associated with Kirkland and non-Kirkland trips. For non-motorized and transit-supportive projects, most of the users would be Kirkland travelers given the nature of the projects and typical trip lengths of non-motorized travelers. Professional judgment was used to estimate the Kirkland growth proportions for these projects.

Appendix A shows the resulting percentages of growth within Kirkland.

COST ALLOCATION RESULTS

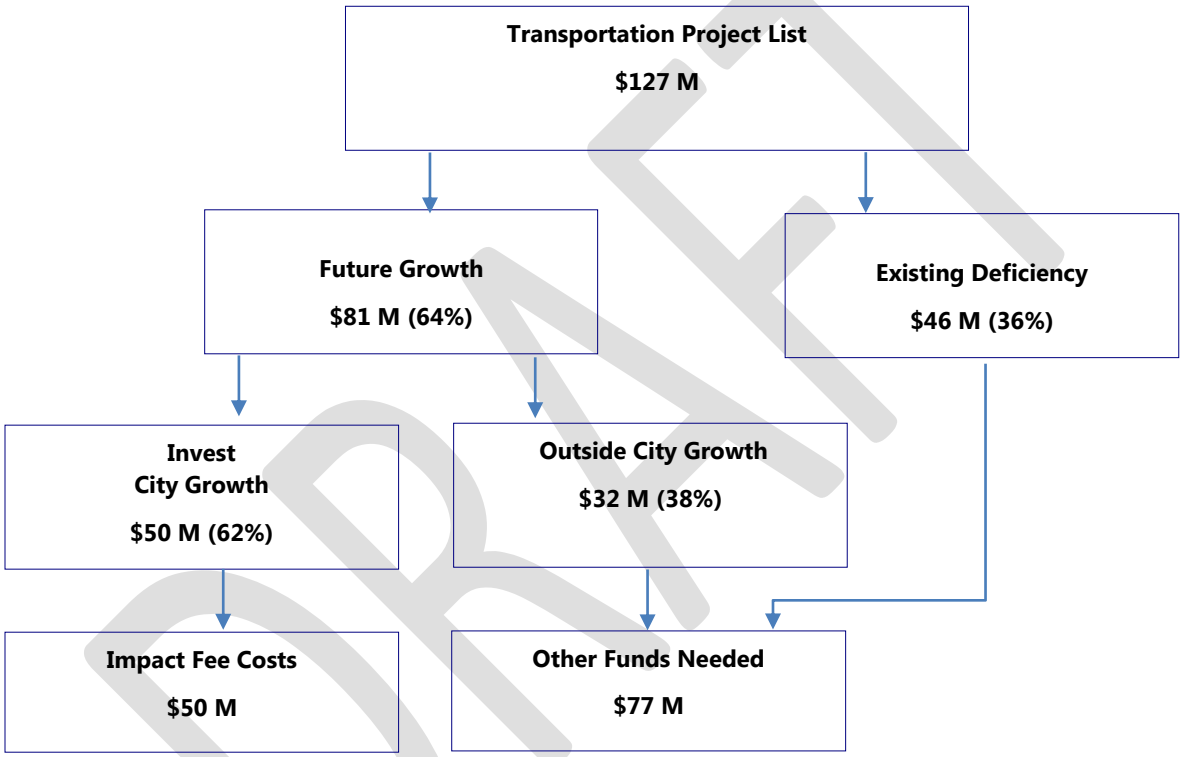
For discussion purposes, the dollar amounts shown in the following figures and text descriptions are rounded values expressed in millions of dollars. The actual amounts used in the calculations are accurate to a single dollar.

The total cost of the projects on the capacity project list is $127 million as shown in **Figure 3.** Of this amount, $46 million is estimated to be due to existing deficiencies, leaving costs of $81 million attributable to growth.

The $81 million was then split into 'city growth' and 'outside city growth. The details of this calculation are shown in **Appendix A**.

The resulting city growth responsibility equals $50 million, or 62 percent of the total growth costs. This is the amount that can be charged as impact fees to development in Kirkland. The remaining $77 million would be expected to be obtained from other sources of funding.

Figure 3. Impact Fee Cost Allocation (2015 – 2035)



In summary, the impact fees could contribute almost 40 percent of the total $127 million cost of the improvement projects. City matching funds, new grants, and other sources would provide the remaining 60 percent of the total project costs.

The final step in the cost allocation process dealt with calculating the "cost per new trip end" within Kirkland, derived by dividing the total eligible project cost by the total number of new PM peak hour trip ends based in Kirkland. A total of 15,000 new PM peak hour person trip ends are estimated to occur within the City between 2015 and 2035.

The analysis produced the following results.

Impact fee costs	$ 50,127,787
Divided by:	
New PM peak hour person trip ends	÷ 15,000
Equals:	
Cost per new person trip end	$ 3,341.85

IMPACT FEE SCHEDULE

The impact fee schedule was developed by adjusting the "cost per trip end" information to reflect differences in trip-making characteristics for a variety of land use types within the study area. The fee schedule is a table where fees are represented as dollars per unit for each land use category. **Table 3** shows the various components of the fee schedule (vehicle trip generation rates, person trip rates, new trip percentages, trip lengths, and trip length adjustment for each land use). Certain land uses were modified, added, or removed from the current fee schedule to reflect recent development trends within the City and changes to the national trip generation database.

TRIP GENERATION

Trip generation rates for each land use type are derived from a variety of sources. Vehicle trip rates were obtained from the Institute of Transportation Engineers (ITE) *Trip Generation* report (9th Edition). These rates are expressed as vehicle trip ends during the PM peak hour.

The vehicle trip ends were converted to person trip ends using methods consistent with those in the ITE *Trip Generation Handbook* (3rd Edition, 2014). Person trip generation data for model-consistent land use categories (i.e. residential, school, retail, office, industrial) were obtained from the City of Redmond *Household and Employee Travel Survey* (2010). Using these data, factors were developed to convert ITE vehicle trip rates into person trip rates[2]. A consistent factor was used for each individual land use within a category. For example, all retail uses had the same factor to convert from vehicle to person trips.

[2] Conversion factors for vehicle to person trips: Residential (1.45); Retail and Services (1.22); Office (1.18); Industrial (1.09)

PASS-BY TRIP ADJUSTMENT

The trip generation rates represent total persons entering and leaving a property. For certain land uses (e.g., retail), a substantial amount of the motorized travel is already passing by the property and merely turns into and out of the driveway. These pass-by trips do not significantly impact the surrounding street system and therefore are subtracted out prior to calculating the impact fee. The resulting trips are considered "new" trips and are therefore subject to the impact fee calculation. The "new" trip percentages are derived partially from the ITE *Trip Generation Handbook* (3rd Edition) and from available surveys conducted around the country[3].

TRIP LENGTH ADJUSTMENT

Another variable that affects traffic impacts is the length of the trip generated by a particular land use. The "cost per trip" calculated in the impact fee program represents an average for all new trips generated within Kirkland. Being an average, there will be certain land uses that generate trips of different lengths. If a given trip length is shorter than the average, then its relative traffic impacts on the street system will be lower than average. Conversely, longer trips will impact a larger proportion of the transportation network. In order to reflect these differences, the method includes an adjustment factor, which is calculated as the ratio between the trip length for a particular land use type and the "average" trip length for the City.

Trip length data were estimated using limited national surveys of vehicle trips[4][5]. Since the adjustment uses a ratio, the relative trip lengths are more important than the actual trip length. The average new trip length estimated for Kirkland was 3.5 miles based upon the 2035 mix of land use types within the study area. Using this average, a trip length adjustment was applied for each land use type.

[3] 'New' trip percentages are based on vehicle trips surveyed at land use sites. No comparable non-motorized data are available.
[4] Trip length primary data sources: Pinellas County (FL) Impact Fee Study; City of Tampa (FL) Transportation Impact Fee Update
[5] Person trip lengths are not available for individual land use types but can be estimated for broad land use categories (e.g. residential, retail, office etc.) using household travel survey results and travel demand models. Limited analysis of these data using Puget Sound regional surveys indicate that trip length adjustments based on person trips would produce results reasonably comparable to the vehicle trip lengths, but at a more generalized scale. As a result, a decision was made to retain the more detailed trip length adjustments shown in the table absent further person trip length data becoming available.

SCHEDULE OF RATES

The impact fee rates are shown in the last column in **Table 3**. In the fee schedule, fees are shown as dollars per unit of development for various land use categories, as defined in **Appendix B**. The impact fee program is flexible in that if a use does not fit into one of the categories, an impact fee can be calculated based on the development's projected trip generation.

TABLE 3. IMPACT FEE SCHEDULE

Land Uses	Unit of Measure	ITE Land USE Code	Vehicle Trip Rate	Person Trip Rate	New Trip %	Trip Length (miles)	Trip Length Adjustment	New Fee per Unit
								persons
Cost per Person Trip End >								$3,341.85
Trip Length								
Residential								
Detached Housing	dwelling	210	1.00	1.45	100%	3.5	1.00	$ 4,846
Attached and Stacked Housing	dwelling	220,221,230,233	0.57	0.83	100%	3.5	1.00	$ 2,762
Senior Housing	dwelling	See note 1	0.29	0.41	100%	3.5	1.00	$ 1,381
Nursing Home	bed	620	0.22	0.27	100%	2.8	0.80	$ 718
Congregate Care/ Assisted Living	dwelling	253,254	0.17	0.21	100%	2.8	0.80	$ 554
Commercial - Services								
Drive-in Bank	sq ft/GFA	912	24.30	29.65	65%	1.5	0.43	$ 27.60
Walk-in Bank	sq ft/GFA	911	12.13	14.80	80%	1.5	0.43	$ 16.96
Day Care Center	sq ft/GFA	565	12.34	15.05	75%	2.0	0.57	$ 21.56
Hotel	room	310	0.60	0.87	100%	4.0	1.14	$ 3,323
All Suites Hotel	room	311	0.40	0.58	100%	4.0	1.14	$ 2,215
Service Station/Minimart	VFP	945	13.51	16.48	44%	1.7	0.49	$ 11,772
Movie Theater	screens	445	13.64	16.64	85%	2.3	0.66	$ 31,063
Health Club	sq ft/GFA	492	3.53	4.31	75%	3.1	0.89	$ 9.56
Racquet Club	sq ft/GFA	491	1.06	1.29	75%	3.1	0.89	$ 2.87
Marina	Berth	420	0.19	0.23	90%	3.1	0.89	$ 617
Commercial - Institutional								
Elementary School/Jr. High School	student	520,522	0.15	0.18	80%	2.0	0.57	$ 279.57
High School	student	530	0.13	0.16	90%	2.0	0.57	$ 272.58
University/College	student	550	0.17	0.21	90%	3.0	0.86	$ 534.68
Church	sq ft/GFA	560	0.55	0.67	100%	3.7	1.06	$ 2.37
Hospital	sq ft/GFA	610	0.93	1.13	80%	5.0	1.43	$ 4.33
Commercial - Restaurant								
Quality Restaurant	sq ft/GFA	931	7.49	9.14	56%	3.4	0.97	$ 16.61
High-Turnover Restaurant	sq ft/GFA	932	9.85	12.02	57%	3.4	0.97	$ 22.24
Fast Food Restaurant w/o drive thru	sq ft/GFA	933	26.15	31.90	50%	2.0	0.57	$ 30.46
Fast Food Restaurant w drive thru	sq ft/GFA	934	32.65	39.83	50%	2.0	0.57	$ 38.03
Industrial								
Light Industry/High Technology	sq ft/GFA	110	0.97	1.06	100%	5.1	1.59	$ 5.61
Industrial Park	sq ft/GFA	130	0.85	0.93	100%	5.1	1.59	$ 4.92
Warehousing/Storage	sq ft/GFA	150	0.32	0.35	100%	5.1	1.59	$ 1.85
Commercial - Retail								
Shopping Center	sq ft/GLA	820	3.71	4.53	65%	1.7	0.49	$ 4.78
Auto Parts Sales	sq ft/GFA	843	5.98	7.30	57%	1.7	0.49	$ 6.75
Auto Care Center	sq ft/GLA	942	3.11	3.79	70%	1.7	0.49	$ 4.31
Car Sales - New/Used	sq ft/GFA	841	2.62	3.20	80%	4.6	1.31	$ 11.23
Convenience Market	sq ft/GFA	851	52.41	63.94	49%	1.3	0.37	$ 38.89
Discount Club	sq ft/GFA	857	4.18	5.10	63%	4.0	1.14	$ 12.27
Free Standing Discount Store	sq ft/GFA	815	4.98	6.08	73%	2.1	0.60	$ 8.89
Hardware/Paint Store	sq ft/GFA	816	4.84	5.90	74%	1.7	0.49	$ 7.09
Home Improvement Superstore	sq ft/GFA	862	2.33	2.84	58%	2.1	0.60	$ 3.31
Nursery/Garden Center	sq ft/GFA	817	6.94	8.47	70%	1.7	0.49	$ 9.62
Pharmacy(with Drive Through)	sq ft/GFA	881	9.91	12.09	51%	1.7	0.49	$ 10.01
Quick Lubrication Vehicle Shop	Service Bay	941	5.19	6.33	40%	1.7	0.49	$ 4,111.07
Supermarket	sq ft/GFA	850	9.48	11.57	64%	2.1	0.60	$ 14.84
Tire Store	Service Bay	848	3.54	4.32	72%	1.7	0.49	$ 5,047.35
Miscellaneous Retail	sq ft/GLA	820	3.71	4.53	65%	1.7	0.49	$ 4.78
Commercial - Office								
General Office Building	sq ft/GFA	710	1.49	1.76	90%	5.1	1.46	$ 7.71
Medical Office/Clinic	sq ft/GFA	720	3.57	4.21	75%	4.8	1.37	$ 14.48

Notes:
VFP= Vehicle Fueling Positions (Maximum number of vehicles that can be fueled simultaneously)
GFA= Gross Floor Area
For uses with Unit of Measure in sq ft, trip rate is given as trips per 1000 sq ft
Note 1. Senior Housing rate is 1/2 of Attached and Stacked Housing rate

Table 4 provides two examples (residential and office) of the calculation.

TABLE 4. EXAMPLE CALCULATIONS OF IMPACT FEE RATE

		Residential: Detached	Office: General Office
	Trip Generation Rate (Vehicles)	**1.00**	**1.49**
	Conversion (Person / Vehicles)*	**X 1.45**	**X 1.18**
	Trip Generation Rate (Persons)	**1.45**	**1.76**
x	Percent New Trips	100%	90%
x	Trip Length Adjustment		
	Trip Length (unit)	3.50	5.10
	÷	÷	÷
	Average Trip Length	3.5	3.5
x	Average Cost per Trip End	$3,342	$3,342
÷	Divide by 1000 for rate per square foot	NA	1000
=	Impact Fee Rate (per unit)	$4,846/dwelling	$7.71/sq ft

* The vehicle-to-person trip conversion factor varies by land use category. Residential uses have the highest ratio of person trips to vehicle trips based on the survey results. This results primarily due to additional walking and biking trips that originate at a home compared to other land uses.

APPENDIX A – COST ALLOCATION RESULTS

Exhibit A illustrates how the impact fee project costs (shown in **Table 1**) were divided into growth-related costs attributable to the City. The first adjustment is for existing deficiencies, as described in the report text. The next adjustment is to calculate the 'Percent of Growth within Kirkland', which contains the results of the analysis to separate Kirkland and non-Kirkland growth. For motorized projects, the City's travel demand model was used to identify the portion of trips associated with Kirkland and non-Kirkland traffic. A technique called "select-link" analysis was used to isolate the vehicle trips using each of the impact fee projects. The growth percentages for non-motorized and transit-oriented projects are also applied, as described in the report text. The final column of the table shows the growth cost for each project that can be allocated to impact fees.

Impact Fee Cost Allocation

ID	Project Title	Project Description	Source	Estimated Cost	Existing Deficiency Percent	Existing Deficient Amount	Costs Attributable to Growth	Percent of Growth within Kirkland	Growth Cost Allocated to Impact Fees
Roadway									
R1	NE 132nd Phase I (west)	Rechannelize, sidewalks, bike lanes	ST 0077	$ 1,348,000	0%	$ -	$ 1,348,000	51%	$ 687,480
R2	NE 132nd Phase I (mid)	Rechannelize, sidewalks, bike lanes	ST 0078	$ 316,000	0%	$ -	$ 316,000	51%	$ 161,160
R3	NE 132nd Phase I (east)	Rechannelize, sidewalks, bike lanes	ST 0079	$ 1,119,000	0%	$ -	$ 1,119,000	51%	$ 570,690
R4	NE 132nd St/Juanita High School Access Road Intersection Improvements	Construct a 250 foot eastbound right turn lane to allow this intersection to maintain a vehicular level of service less than the required 1.4 volume to capacity ratio.	TR 0093 000	$ 916,000	0%	$ -	$ 916,000	51%	$ 467,160
R5	NE 132nd St/108th Ave NE Intersection Improvements	Construct a 250 foot westbound right turn lane to allow this intersection to maintain a vehicular level of service less than the required 1.4 volume to capacity ratio.	TR 0094 000	$ 618,000	0%	$ -	$ 618,000	51%	$ 315,180
R6	NE 132nd St/Fire Station Access Intersection Improvement	Modify existing signal to include pedestrian actuated option, as recommended in the NE 132nd Street Master Plan.	TR 0095 000	$ 366,000	0%	$ -	$ 366,000	51%	$ 186,660
R7	NE 132nd St/124th Ave NE Intersection Improvements	Extend existing eastbound left turn lane to 500 feet and add a second 500 foot eastbound left turn lane. Widen and restripe east leg, and north leg.	TR 0096 000	$ 5,713,000	0%	$ -	$ 5,713,000	51%	$ 2,913,630
R8	NE 132nd St/132nd Ave NE Intersection Improvements	Extend the eastbound left turn and right turn lanes to 500 feet.	TR 0097 000	$ 889,000	0%	$ -	$ 889,000	51%	$ 453,390
R9	NE 132nd St/116th Way NE - Totem Lake Boulevard (I-405) Intersection Improvements	Coordination of City ROW and intersection improvements in association with the WSDOT's Half-Diamond Interchange at NE 132nd Street and I-405, between 116th Way NE and Totem Lake Blvd.	TR 0098 000	$ 300,000	0%	$ -	$ 300,000	51%	$ 153,000
R10	100th Ave NE Roadway Improvements	Widen existing roadway to improve current 5-lane to 2-lane transition.	ST 0083 102	$ 10,000,000	0%	$ -	$ 10,000,000	52%	$ 5,200,000
R11	Juanita Drive Improvements	Roadway improvements from Juanita Drive Corridor Master Plan	ST _____	$ 5,500,000	0%	$ -	$ 5,500,000	55%	$ 3,025,000
R12	NE 124th St/124th Ave NE Intersection Improvements	Widen north (southbound) leg to allow second left-turn lane, extend right-turn-only lane to become a through-right (right of way acquisition at railroad triangle required).	TR 0091 000	$ 3,503,300	0%	$ -	$ 3,503,300	51%	$ 1,786,683
R13	NE 116th St/124th Ave NE Northbound Dual Left-turn lanes	This project will reconstruct the south leg (124th Ave NE) of the intersection to allow for two northbound left-turn lanes from 124th Ave NE to NE 116th Street.	TR 0092 000	$ 1,700,000	0%	$ -	$ 1,700,000	51%	$ 867,000
R14	120th Avenue NE (NE 128th St to NE 132nd St)	Widen to a 5 lane cross section. Three signalized intersections will be reconstructed.	ST 0063 000 ($4.5)	$ 4,500,000	0%	$ -	$ 4,500,000	68%	$ 3,060,000
R15	ITS Phase 4	ITS Communication System and ITS Signal Upgrades adaptive control and traveler information updates	TR ____	$ 3,620,000	0%	$ -	$ 3,620,000	57%	$ 2,063,400
R17	124th Ave NE (NE 116th St to NE 124th St)	Widen to 5 lanes	ST 0059 000	$ 10,000,000	0%	$ -	$ 10,000,000	59%	$ 5,900,000
R18	NE 120th St Extension (124th Ave NE to 120th Ave NE under I-405)	New connection	TR 0072	$ 15,708,609	0%	$ -	$ 15,708,609	59%	$ 9,268,079
Transit									
T1	Transit Speed and Reliability Improvements	Citywide improvements for transit speed and reliability	PT 0002	$ 500,000	75%	$ 375,000	$ 125,000	90%	$ 112,500
T2	Transit Passenger Environment Improvements	Citywide improvements to transit stops	PT 0003	$ 500,000	75%	$ 375,000	$ 125,000	90%	$ 112,500
Non-Motorized									
NM1	Bicycle system	Bicycle system including buffered lanes	NM_____	$ 17,900,000	75%	$ 13,425,000	$ 4,475,000	80%	$ 3,580,000
NM2	Greenways	Full Greenway Network	NM_____	$ 6,000,000	75%	$ 4,500,000	$ 1,500,000	90%	$ 1,350,000
NM3	Cross Kirkland Corridor Connections and Crossings	CKC Connections and Street Crossings	NM_____	$ 17,467,000	75%	$ 13,100,250	$ 4,366,750	80%	$ 3,493,400
NM4	Walkways	Walkway on one side of collector and arterials- School Walk Routes and 10 minute neighborhoods	NM_____	$ 13,500,000	75%	$ 10,125,000	$ 3,375,000	95%	$ 3,206,250
NM5	Crosswalks	Crosswalks on arterials	NM_____	$ 5,030,000	75%	$ 3,772,500	$ 1,257,500	95%	$ 1,194,625
Total				**$ 127,013,909**		**$ 45,672,750**	**$ 81,341,159**		**$ 50,127,787**

APPENDIX B – LAND USE DEFINITIONS

The following land use definitions are derived from the ITE *Trip Generation* (9th Edition). They have been modified as appropriate for the City of Kirkland.

RESIDENTIAL

Detached Housing: Once or more detached housing units located on an individual lot. Includes accessory dwelling units. (ITE # 210)

Attached and Stacked Housing: A building or buildings designed to house two or more families living independently of each other. Includes apartments, condos, attached duplexes, P.U.D.'s, and attached townhouses. Includes single room occupancy if additional parking provided. (ITE # 220, 221, 230, 233)

Senior Housing: Residential units similar to apartments or condominiums restricted to senior citizens. (ITE # 220, 221, 230, 233; also 251, 255)

Nursing Home/Convalescent Center: A facility whose primary function is to provide chronic or convalescent care for persons who by reason of illness or infirmity are unable to care for themselves. Applies to rest homes, chronic care, and convalescent centers. (ITE # 620)

Congregate Care/Assisted Living Facility: One or more multi-unit buildings designed for those people who are unable to live independently due to physical or mental handicap. Facilities may contain dining rooms, medical facilities, and recreational facilities. (ITE # 253, 254)

COMMERCIAL-SERVICES

Drive-in Bank: A free-standing building, with a drive-up window, for the custody or exchange of money, and for facilitating the transmission of funds. (ITE # 912)

Walk-in Bank: A free-standing bank building without drive-in windows. (ITE # 911)

Day Care Center: A facility for the care of infant and preschool age children during the daytime hours. Generally includes classrooms, offices, eating areas, and a playground. This also includes preschools. (Note: This does not apply to day care homes, family day care, mini-day care centers or mini-schools, rates for which must be separately calculated.) (ITE # 565)

Hotel: A place of lodging providing sleeping accommodations. May include restaurants, cocktail lounges, meeting and banquet rooms or convention facilities. (ITE # 310)

All Suites Hotel: A place of lodging that provides sleeping accommodations, a small restaurant, and lounge and a small amount of meeting space. Each suite includes a sitting room and separate bedroom along with limited kitchen facilities provided. (ITE # 311)

Service Station w/ Minimart: A facility, which combines elements of a convenience store and a gas station. Convenience food items are sold along with gasoline and other car products; gas pumps are primarily or completely self-service. (ITE # 945)

Movie Theater: Consists of audience seating, one or more screens and auditoriums, and a lobby and refreshment stand. Typically includes matinee showings. (ITE # 445)

Health Club: Health clubs are privately owned facilities that primarily focus on individual fitness or training. They generally offer exercise or dance classes, weightlifting, fitness and gymnastics equipment, spas, massage services, locker rooms and small restaurants or snack bars. These may also include ancillary facilities, such as swimming pools, whirlpools, saunas and tennis. (ITE # 492)

Racquet Club: Racquet clubs are privately owned facilities primarily catering to racquet sports, tennis, racquetball, or squash – indoor or outdoor. (ITE # 491)

Marina: A facility providing moorage for boats. (ITE # 420)

COMMERCIAL-INSTITUTIONAL

Elementary and Junior High School: These are facilities of education serving students attending kindergarten through students who have not yet entered high school. These include public and private schools. Schools often provide bus services of varying length, depending upon the type of school and grade level. Elementary School and Junior high School are grouped together with common trip-making characteristics during the PM peak period. (ITE # 520, 522)

High School: High Schools serve students who have completed middle or junior high school. Both public and private high schools are included in this land use. (ITE # 530)

University/College: Facilities of higher education including two-year, four-year and graduate-level institutions. (ITE # 550)

Church: A building providing public worship facilities. Generally houses as assembly hall or sanctuary, meeting rooms, classrooms, and occasionally dining facilities. (ITE # 560)

Hospital: A building or buildings designed for the medical, surgical diagnosis, treatment and housing of persons under the care of doctors and nurses. Rest homes, nursing homes, convalescent homes and clinics are not included. (ITE # 610)

COMMERCIAL-RESTAURANT

Quality Restaurant: A sit down, full-service eating establishment with typical duration of stay of at least one hour. Quality restaurants generally do not serve breakfast; some do not serve lunch; all serve dinner. This restaurant type often uses reservations, is generally not part of a chain, seats patrons individually, and serves patrons via a waiter or waitress. Some have lounge or bar facilities (serving alcoholic beverages), but they are ancillary to the restaurant. (ITE # 931)

High-Turnover Restaurant: A sit-down, full-service eating establishment with typical duration of stay of approximately one hour, usually moderately priced, and frequently part of a restaurant chain. These restaurants generally serve lunch and dinner, sometimes breakfast, may be open 24 hours per day, seats patrons individually, and serves patrons via a waiter or waitress. Some may also contain a bar area for serving food and alcoholic drinks. (ITE # 932)

Fast Food Restaurant: An eating establishment that offers quick food service and a limited menu of items. Food is generally served in disposable wrappings or containers, and may be consumed inside or outside the restaurant building. May have a drive-up window. (ITE # 933, 934)

INDUSTRIAL

Light Industrial/High Technology: A facility where the primary activity is the conversion of raw materials or parts into finished products. Generally also have offices and associated functions. Typical uses are printing plants, material testing laboratories, bio-technology, medical instrumentation or supplies, communications and information technology, and computer hardware and software. (ITE # 110)

Industrial Park: Industrial parks are areas containing a number of industrial or related facilities. They are characterized by a mix of manufacturing, service and warehouse facilities with a wide variation in the proportion of each type of use from one location to another. Many industrial parks contain highly diversified facilities, some with a large number of small businesses and others with one or two dominant industries. Research centers are facilities or groups of facilities devoted nearly exclusively to research and development activities. While they may also contain offices and some light fabrication areas, the primary function is that of research and development. (ITE # 130)

Warehousing/Storage: Facilities that are primarily devoted to the storage of materials, including vehicles. They may also include office and maintenance areas. (ITE # 150)

COMMERCIAL-RETAIL

Shopping Center, general Retail**:** An integrated group of commercial establishments that is planned, developed, owned, or managed as a unit. On-site parking facilities are provided, and administrative office areas are usually included. (ITE # 820)

Automobile Parts Sales: A facility that specializes in the sale of automobile parts for do-it-yourself maintenance and repair. These facilities are not equipped for on-site vehicle repair. (ITE # 843)

Auto Care Center: An automobile care center houses numerous businesses that provide automobile-related services, such as repair and servicing, stereo installation and seat cover upholstering. (ITE # 942)

Car Sales (New and Used): Facilities are generally located as strip development along major arterial streets that already have a preponderance of commercial development. Generally included are auto services and parts sales along with a sometimes substantial used-car operation. Some dealerships also include leasing activities and truck sales and servicing. (ITE # 841)

Convenience Market: A use which combines retail food sales with fast foods or take-out food service; generally open long hours or 24 hours a day. (ITE # 851)

Discount Club: A store or warehouse where shoppers pay a membership fee in order to take advantage of discounted prices on a wide variety of items such as food, clothing, tires, and appliances; many items are sold in large quantities or bulk. (ITE # 857)

Free-Standing Discount Store: A free-standing store which offers a variety of customer services, centralized cashiering, and a wide range of products (not including groceries). They typically maintain long store hours seven days a week. (ITE # 815)

Hardware/Paint Store: A free-standing or attached store with off-street parking providing hardware and paints services. (ITE # 816)

Home Improvement Superstore: A free-standing ware house type facility (25,000-150,000 gsf) with off-street parking. Generally offers a variety of customer services (home improvements; lumber, tools, paint, lighting, wallpaper, kitchen and bathroom fixtures, lawn equipment, and garden equipment) and centralized cashiering. (ITE # 862)

Nursery/Garden Center: A free-standing building with a yard of planting or landscape stock offered to the general public (i.e. not wholesale). May have greenhouses and offer landscaping services. Most have office, storage, and shipping facilities. (ITE # 817)

Pharmacy (with drive-through window): A pharmacy which sells prescriptions and non-prescription drugs, cosmetics, toiletries, medications, stationery, personal care products, limited food products, and general merchandise. Contain drive-through windows. (ITE # 881)

Quick Lubrication Vehicle Shop: A facility where the primary activity is to perform oil change services for vehicles. Automobile repair service is generally not provided. (ITE # 941)

Supermarket: Retail store which sells a complete assortment of food, food preparation and wrapping materials, and household cleaning and servicing items. (ITE # 850)

Tire Store: A facility that provides sales and marketing of tires for automotive vehicles. Services typically include tire installation and repair, as well as other automotive maintenance or repair services and customer assistance. These stores generally do not contain large storage or warehouse areas. (ITE # 849)

Miscellaneous Retail: (Applies within designated areas of the city). A collection of retail uses that would function similar to a shopping center, with uses that may change over time but be consistent with the overall retail environment. (Refer ITE #820- Shopping Center)

COMMERCIAL-OFFICE

General Office: An administrative office building houses one or more tenants and is the location where affairs of a business, commercial or industrial organization, professional person or firm are conducted. The building or buildings may be limited to one tenant, either the owner or lessee, or contain a mixture of tenants including professional services, insurance companies, investment brokers, and company headquarters. Services such as a bank or savings and loan, a restaurant or cafeteria, miscellaneous retail facilities, and fitness facilities for building tenants may also be included. (ITE # 710)

Medical Office/Clinic: A facility which provides diagnoses and outpatient care on a routine basis but which is unable to provide prolonged in-house medical/surgical care. A medical office is generally operated by either a single private physician/dentist or a group of doctors and/or dentist. (ITE # 720)

ATTACHMENT B TO ATTACHMENT 1 Transportation Impact Fees

2011

Project Name	Permit #	Application Date	Existing Use	New Use	Sq. Ft.	Fee Not Collected	Issue Date
Skyzone TI	BLD11-00446	8/24/11	Hertz Equip Rental	Indoor Trampolines	18,900	$28,597	10/6/11
Kirkland Church of Nazarene	BLD11-00591	10/21/11	Church	Childcare (M-F)	N/A	$23,437.50	
LA Fitness	BLD11-00550	10/13/11	Gi Joes	Fitness Center	49,718	$73,711	2/24/12
Top Tennis Club	BLD11-00604	10/26/11	Warehouse / Offices	Indoor Tennis Facility	55,785	$98,739.45	11/21/11
Seattle Met Credit Union	BLD11-00703	12/27/11	Unfinished	Credit Union	1,475	$58,049	2/2/12
Critter Veterinarian			General Office	Medical Office	3,352	$23,766	
Fiat Dealership			Misc Retail	Car Sales	3,741	$26,261.82	
Kiddie Academy			Shopping Center	Childcare (M-F)	10,394	$ 37,210.52	
Lunal Sol			General Office	Medical Office	4812	$ 34,117.08	
Total Impact Fees Not Collected in 2011						$403,889.15	

2012

Project Name	Permit #	Application Date	Existing Use	New Use	Sq. Ft.	Fee Not Collected	Issue Date
Aegis Lodge Remodel	BNR12-01470	6/14/12	Living/Accessory Space	Salon/Empoyee Lounge	N/A	$667.00	
Doctor's Express	BNR12-01604	6/19/12	Video Rental	Medical Office	3230	$18,992.40	8/27/12
Devine & Weier	BSF12-01886	7/6/12	Residential Garage	Catering Kitchen	N/A	$7,574.00	8/13/12
Bassline Fitness	BNR12-02797	8/28/12	Misc Retail	Gym	2154	$12,805.88	9/21/12
24 Hour Fitness	BLD11-00550	10/13/11	Mercantile	Assembly / Fitness	25300	$144,463.00	2/24/12
Creative Sprouts Presch	TRAN12-01143	9/11/12	General Office	Day Care	2243	$31,379.57	9/19/12
Be One Yoga	BNR12-01777	6/27/12	Video Rental	Yoga Studio	3500	$72,114.00	8/6/12
Taco Time	BNR12-00922	5/11/12	Gas w/ MiniMart	Fastfood w/ Drive-thru	2275	$26,203.00	10/19/12
Evergreen AutoRebuild			Industrial	Car Car Center	17920	$27,238.40	
NW Kidney Center			General Office	Medical Office	17117	$121,359.53	
Five-Guys Burger			Video Rental	Fastfood w/o Drive-thru	2500	$49,200.00	
Total Impact Fees Not Collected in 2012						$511,996.78	

2013

Project Name	Permit #	Application Date	Existing Use	New Use	Sq. Ft.	Fee Not Collected	Issue Date
Seattle Vet Specialists	TRAN13-00536	4/2/13	General Office	Medical Office	7698	$34,942.50	
O'Hanlon Veterinary	BNR13-02391	5/7/13	Retail Shopping	Medical Office	6061	$62,488.91	
Inglewood Vet Clinic	BNR13-02484	5/13/13	Shopping Center	Medical Office	1265	$13,042.15	
Immediate Clinic	BNR13-04514	8/12/13	General Office	Medical Office	2423	$17,687.90	
Total Impact Fees Not Collected in 2013						$128,161.46	

ATTACHMENT B TO ATTACHMENT 1 Transportation Impact Fees

2014- Aug, 2015

Project Name	Permit #	Application Date	Existing Use	New Use	Sq. Ft.	Fee Not Collected	Issue Date
110 Central Way	BNR14-00048	1/6/14	Misc Retail	Restaurant	1406	**$8,562.54**	
Total Impact Fees Not Collected in 2014 - Aug, 2015						**$8,562.54**	

CITY OF KIRKLAND
Department of Parks and Community Services
505 Market Street, Kirkland, WA 98033 425.587.3300
www.kirklandwa.gov

ATTACHMENT 2

MEMORANDUM

To: Kurt Triplett, City Manager
Tracey Dunlap, Deputy City Manager

From: Jennifer Schroder, Director of Parks & Community Services
Michael Cogle, Deputy Director of Parks & Community Services

Date: September 3, 2015

Subject: PARK IMPACT FEE RATE STUDY AND POLICY DISCUSSION

The rate study for impact fees for Parks, Open Space, and Recreation Facilities dated August 13, 2015 is attached (Attachment A). The rate study proposes park impact fees for residential development at the following rates:

Table 1. Park Impact Fee Proposed 2016 Rates	
Single-Family	$3,968
Multi-Family	$3,016

The last major impact fee update in Kirkland occurred in 2007. Impact fees established at that time were subsequently indexed with inflation. The following table shows the current rates compared with the proposed new rates:

Table 2. Park Impact Fee Rate Comparison		
	2015 Rate (Current)	**2016 Rate (Proposed)**
Single-Family	$3,949	$3,968
Multi-Family	$2,583	$3,016

Note that the rate for single-family changes only slightly, while the rate for multi-family increases substantially. This is due to the fact that census data shows that the average occupancy of multi-family households has increased from about 1.6 to about 1.9 persons since the prior rate study.

Methodology

As discussed by the City Council at their meeting on April 7, 2015, and again during its review of the City's Parks, Recreation, and Open Space (PROS) Plan on July 7, 2015, the Department of Parks and Community Services is converting to a new Level of Service standard for Kirkland's park system, referred to as Investment per Person.

Kirkland's previous methodology for Park impact fees used level of service standards based on acres of park land and square feet of indoor recreation space. The previous method has the following limitations:

1. Standards based on acreage do not reflect the improvements at the parks, such as docks, boardwalks, tennis courts, basketball courts, landscaping, lighting, fences, picnic facilities, etc.
2. When the City has less park acreage than required by its standard, the City has an existing deficiency that cannot be paid by impact fees. The 2007 park impact fee excluded neighborhood parks and indoor athletic recreation spaces because the actual level of service provided by those facilities was less than the City's standard, thus causing a "deficiency" that precluded charging park impact fees for those facilities.
3. The standards for different types of parks based on land limits the City's flexibility to expend park impact fees in ways that best meet the needs of growth.

The alternative methodology, proposed in the updated Kirkland PROS Plan, is to assess new development a fee based on the replacement value of the existing overall park system, divided by population to determine the park value per person (Investment per Person).

The major advantages of this methodology are that it recognizes the totality of the community's park system –the park land and the physical improvements *on* the land – while also allowing the City much greater flexibility to expand the park system in a way that best meets the needs of current and future residents.

The rate study is based on this alternative "Investment per Person" methodology.

Park Impact Fees on Commercial Development

Kirkland does not charge Park impact fees to commercial (i.e. non-residential) development. Some cities have determined the impact of commercial development on parks by determining "equivalent population" for different types of development. Park impact fees for commercial development are then assessed on a per square foot basis.

The attached rate study does not include a formal assessment of a rate structure for park impact fees that could be assessed to both residential and non-residential development. However a preliminary analysis using available data details a potential rate structure as shown in the following table. Note that by spreading park impact fees across all types of land use the fees for residential use would decline substantially.

Table 3. Potential Park Impact Fees with Commercial Uses		
Category	**Residential Only**	**Residential plus Commercial**
Single Family	$ 3,968.40	$ 1,775.67
Multi Family	$ 3,015.99	$ 1,349.51
Retail		$ 1.52/sf
Office		$ 0.38/sf
Manufacturing		$ 0.45/sf
Construction		$ 0.15/sf

Staff and the consultant can provide more information on methodology and rate structures for commercial park impact fees if desired by the City Council. Staff is not recommending implementation of park impact fees for commercial development at this time, but we do recommend that future rate studies consider this issue.

RATE STUDY

FOR

IMPACT FEES

FOR

PARKS, OPEN SPACE, AND RECREATION FACILITIES

FOR

CITY OF KIRKLAND, WASHINGTON

Prepared By

Henderson
Young &
Company

August 13, 2015

TABLE OF CONTENTS

LIST OF TABLES

1. INTRODUCTION

The purpose of this study is to establish the rates for impact fees in the City of Kirkland, Washington for parks, open space, and recreation facilities as authorized by RCW[1] 82.02.090(7). Throughout this study the term "parks" is used as the short name that means parks, open space, and recreation facilities.

Summary of Impact Fee Rates

Park impact fees are paid by all types of new residential development[2]. Impact fee rates for new development are based on, and vary according to the type of development. The following table summarizes the impact fee rates for each development category.

Table 1: Impact Fee Rates

Type of Development	Unit	Impact Fee per Unit
Single-Family	dwelling unit	$ 3,968.40
Multi-Family	dwelling unit	3,015.99

Impact Fees Definition and Rationale

Impact fees are 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. Throughout this study, the term "developer" is used as a shorthand expression to describe anyone who is obligated to pay impact fees, including builders, owners or developers.

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.

[1] Revised Code of Washington (RCW) is the state law of the State of Washington.
[2] The impact fee ordinance and municipal code may specify exemptions for low-income housing and/or "broad public purposes". The ordinance and municipal code may specify if impact fees apply to changes in use, remodeling, etc.

The impact fees that are described in this study do not include any other forms of developer contributions or exactions, such as mitigation or voluntary payments authorized by SEPA (the State Environmental Policy Act, RCW 43.21C); 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.

Organization of the Study

This impact fee rate study contains three chapters:

- **Chapter 1 – Introduction**: provides a summary of impact fee rates for development categories, and other introductory materials.
- **Chapter 2 – Statutory Basis and Methodology**: summarizes the statutory requirements for developing impact fees, and describes this study's compliance with each requirement.
- **Chapter 3 – Park Impact Fees**: presents impact fees for parks in the City of Kirkland. The chapter includes the methodology that is used to develop the fees, the formulas, variables and data that are the basis for the fees, and the calculation of the fees. The methodology is designed to comply with the requirements of Washington state law.

2. STATUTORY BASIS AND METHODOLOGY

This chapter summarizes the statutory requirements for impact fees in the State of Washington, and describes how the City of Kirkland's impact fees comply with the statutory requirements.

Statutory Requirements for Impact Fees

The Growth Management Act of 1990 authorizes local governments in Washington to charge impact fees. RCW 82.02.050 - 82.02.090 contain the provisions of the Growth Management Act that authorize and describe the requirements for impact fees.

The impact fees that are described in this study are not mitigation payments authorized by the State Environmental Policy Act (SEPA). There are several important differences between impact fees and SEPA mitigations. Three 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); 2) the ability to charge small-scale development their proportionate share, whereas SEPA exempts small developments; and 3) the predictability and simplicity of impact fee rate schedules compared to the cost and uncertain outcome of SEPA reviews conducted on a case-by-case basis.

The following synopsis of the most significant requirements of the law includes citations to the Revised Code of Washington as an aid to readers who wish to review the exact language of the statutes.

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. *RCW 82.02.050(2) and (4), and RCW 82.02.090(7)*

Types of Improvements

Impact fees can be spent on "system improvements" (which are typically outside the development), as opposed to "project improvements" (which are typically provided by the developer on-site within the development). *RCW 82.02.050(3)(a) and RCW 82.02.090(5) and (9)*

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 types of development. *RCW 82.02.060(7)*

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), RCW 82.02.060(1), and RCW 82.02.090(6)*

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 as system improvements eligible for impact fees and are required as a condition of development approval). *RCW 82.02.060(4)*

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. *RCW 82.02.060(2) and (3)*

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 study. *RCW 82.02.060(6)*. Developers can pay impact fees under protest and appeal impact fee calculations. *RCW 82.02.070(4) and (5)*. The developer can obtain a refund of the impact fees if the local government fails to expend or obligate the impact fee payments within 10 years, or terminates the impact fee requirement, or the developer does not proceed with the development (and creates no impacts). *RCW 82.02.080*

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 to 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(8), 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(8)* subject to the proportionate share limitation described above.

Accounting Requirements

The local government must separate the impact fees from other monies, expend or obligate the money on CFP projects within 10 years, and prepare annual reports of collections and expenditures. *RCW 82.02.070(1)-(3)*

Compliance With Statutory Requirements for Impact Fees

Many of the statutory requirements listed above are fulfilled in calculation of the parks impact fee in Chapter 3. Some of the statutory requirements are fulfilled in other ways, as described below.

Types of Public Facilities

This study contains impact fees for parks. This study does not contain impact fees for transportation, fire, or schools.

In general, local governments that are authorized to charge impact fees are responsible for specific public facilities for which they may charge such fees. The City of Kirkland is legally and financially responsible for the parks facilities it owns and operates within its jurisdiction. 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)*.

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 82.02.090(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 development project, and that are necessary for the use and convenience of the occupants or users of the project" as provided in RCW 82.02.090(5). The impact fees in this study are based on system improvements from the City's Capital Facilities Plan, as described in Chapter 3. No project improvements are included in this study.

Impact fee revenue can be used for the capital cost of public facilities. Impact fees cannot be used for operating or maintenance expenses. The cost of public facilities that can be paid for by impact fees include land acquisition and development (improvements). The costs can also include design studies, engineering, land surveys, appraisals, permitting, financing, administrative expenses, applicable mitigation costs, and capital equipment pertaining to capital improvements.

Benefit to Development

The law imposes three tests of the benefit provided to development by impact fees: 1) proportionate share, 2) reasonably related to need, and 3) reasonably related to expenditure (*RCW 80.20.050(3)*). In addition, the law requires the designation of one or more service areas (*RCW 82.02.060(7)*

1. Proportionate Share.

First, the "proportionate share" requirement means that impact fees can be charged only for the portion of the cost of public facilities that is "reasonably related" to new development. In other words, impact fees cannot be charged to pay for the cost of reducing or eliminating deficiencies in existing facilities.

Second, there are several important implications of the proportionate share requirement that are not specifically addressed in the law, but which follow directly from the law:

- Costs of facilities that will benefit new development and existing users must be apportioned between the two groups in determining the amount of the fee. This can be accomplished in either of two ways: (1) by allocating the total cost between new and existing users, or (2) calculating the cost per unit and applying the cost only to new development when calculating impact fees.

- Impact fees that recover the costs of existing unused capacity should be based on the government's actual cost. Carrying costs may be added to reflect the government's actual or imputed interest expense.

The third aspect of the proportionate share requirement is its relationship to the requirement to provide adjustments and credits to impact fees, where appropriate. These requirements ensure that the amount of the impact fee does not exceed the proportionate share.

- The "adjustments" requirement reduces the impact fee to account for past and future payments of other revenues (if such payments are earmarked for, or proratable to, the system improvements that are needed to serve new growth). The impact fees calculated in this study include an adjustment that accounts for any other revenue that is paid by new development and used by the City to pay for a portion of growth's proportionate share of costs. This adjustment is in response to the limitations in RCW 82.02.060 (1)(b) and RCW 82.02.050(2).

- The "credit" requirement reduces impact fees by the value of dedicated land, improvements or construction provided by the developer (if such facilities are in the adopted CFP, identified as the projects for which impact fees are collected, and are required as a condition of development approval). The law does not prohibit a local government from establishing reasonable constraints on determining credits. For example, the location of dedicated land and the quality and design of donated land or recreation facilities can be required to be acceptable to the local government.

2. Reasonably Related to Need.

There are many ways to fulfill the requirement that impact fees be "reasonably related" to the development's need for public facilities, including personal use and use by others in the family or business enterprise (direct benefit), use by persons or organizations who provide goods or services to the fee-paying property or are customers or visitors at the fee paying property (indirect benefit), and geographical proximity (presumed benefit). These measures of relatedness are implemented by the following techniques:

- Impact fees are charged to properties that need (i.e., benefit from) new public facilities. The City of Kirkland provides its infrastructure to all kinds of property throughout the City regardless of the type of use of the

property. Impact fees for parks, however, are only charged to residential development in the City because the dominant stream of benefits redounds to the occupants and owners of dwelling units.

- The relative needs of different types of growth are considered in establishing fee amounts (i.e., different impact values for different types of land use). Chapter 3 uses different numbers of persons per dwelling unit for different types of residential development.

- Feepayers can pay a smaller fee if they demonstrate that their development will have less impact than is presumed in the impact fee schedule calculation for their property classification. Such reduced needs must be permanent and enforceable (i.e., via land use restrictions).

3. Reasonably Related to Expenditures.

Two provisions of Kirkland's municipal code for impact fees comply with the requirement that expenditures be "reasonably related" to the development that paid the impact fee. First, the requirement that fee revenue must be earmarked for specific uses related to public facilities ensures that expenditures are on specific projects, the benefit of which has been demonstrated in determining the need for the projects and the portion of the cost of needed projects that are eligible for impact fees as described in this study. Second, impact fee revenue must be expended or obligated within 10 years, thus requiring the impact fees to be used to benefit to the feepayer and not held by the City.

4. Service Areas for Impact Fees

Impact fees in some jurisdictions are collected and expended within service areas that are smaller than the jurisdiction that is collecting the fees. Impact fees are not required to use multiple service areas unless they are necessary to establish the relationship between the fee and the development. Because of the compact size of the City of Kirkland and the accessibility of its parks to all property within the City, Kirkland's parks serve the entire City, therefore the impact fees are based on a single service area corresponding to the boundaries of the City of Kirkland.

Exemptions

The City's municipal code for impact fees addresses the subject of exemptions. Exemptions do not affect the impact fee rates calculated in this study because

of the statutory requirement that any exempted impact fee must be paid from other public funds. As a result, there is no increase in impact fee rates to make up for the exemption because there is no net loss to the impact fee account as a result of the exemption.

Developer Options

A developer who is liable for impact fees has several options regarding impact fees. The developer can submit data and or/analysis to demonstrate that the impacts of the proposed development are less than the impacts calculated in this rate study. The developer can appeal the impact fee calculation by the City of Kirkland. If the local government fails to expend the impact fee payments within 10 years of receipt of such payments, the developer can obtain a refund of the impact fees. The developer can also obtain a refund if the development does not proceed and no impacts are created. All of these provisions are addressed in the City's municipal code for impact fees, and none of them affect the calculation of impact fee rates in this study.

Capital Facilities Plan

There are references in RCW to the "capital facilities plan" (CFP) as the basis for projects that are eligible for funding by impact fees. Cities often adopt documents with different titles that fulfill the requirements of RCW 82.02.050 et. seq. pertaining to a "capital facilities plan". The City of Kirkland has adopted, and periodically updates the Capital Facilities Plan Element of the City's Comprehensive Plan. In addition, Kirkland annually adopts a 6-year Capital Improvements Program (CIP). These two documents fulfill the requirements in RCW, and are considered to be the "capital facilities plan" (CFP) for the purpose of this impact fee rate study. All references to a CFP in this study are references to the CFP and CIP documents described above.

The requirement to identify existing deficiencies, capacity available for new development, and additional public facility capacity needed for new development is determined by analyzing levels of service for each type of public facility. Chapter 3 provides this analysis.

New Versus Existing Facilities, Accounting Requirements

Impact fees must be spent on capital projects contained in an adopted capital facilities plan, or they can be used to reimburse the government for the unused capacity of existing facilities. Impact fee payments that are not expended or obligated within 10 years must be refunded unless the City Council makes a written finding that an extraordinary and compelling reason exists to hold the fees for longer than 10 years. In order to verify these two requirements, impact fee

revenues must be deposited into separate accounts of the government, and annual reports must describe impact fee revenue and expenditures. These requirements are addressed by Kirkland's municipal code for impact fees, and are not factors in the impact fee calculations in this study.

Data Sources

The data in this study of impact fees in Kirkland, Washington was provided by the City of Kirkland, unless a different source is specifically cited.

Data Rounding

The data in this study was prepared using computer spreadsheet software. In some tables in this study, there may be very small variations from the results that would be obtained using a calculator to compute the same data. The reason for these insignificant differences is that the spreadsheet software was allowed to calculate results to more places after the decimal than is reported in the tables of these reports. The calculation to extra places after the decimal increases the accuracy of the end results, but causes occasional minor differences due to rounding of data that appears in this study.

3. PARK IMPACT FEES

Overview

Impact fees for Kirkland's parks, open space, and recreation facilities use an inventory and valuation of the existing assets in order to calculate the current capital value per person. That amount is multiplied times the future population to identify the value of additional assets needed to provide growth with the same level of investment as the City owns for the current population. The future investment needed for growth is compared to the park projects in the City's CIP, and if the CIP projects are less than the needed investment an adjustment is calculated that reduces the capital value per person to match the amount of the projects in the CIP. The amount of the impact fee is determined by charging each fee-paying development for the adjusted capital value per person multiplied times the average number of persons per dwelling unit for each type of residential development.

These steps are described below in the formulas, descriptions of variables, tables of data, and explanation of calculations of park impact fees.

Formula 1: Parks Capital Value Per Person

The capital value per person is calculated by dividing the value of the asset inventory by the current population.

1.	Value of Parks Inventory	÷	Current Population	=	Capital Value Per Person

There is one new variable that requires explanation: (A) value of parks inventory.

Variable (A): Value of Parks Inventory

The value of the existing inventory of parks, open space and recreation facilities is calculated by determining the value of park land and improvements. The sum of all of the values equals the current value of the City's park and recreation system. The land values in this study come from King County's tax assessment data base. The improvement values are from the City of Kirkland based on current replacement costs of similar improvements.

Table 2 lists in alphabetical order the inventory of parks that make up the City of Kirkland' existing park system. Each listing includes the name, acreage, land

value, improvement value and total value. The total value of park land and improvements currently owned by the City of Kirkland is $333.1 million. That value is divided by the current population of 82,590 to calculate the capital value of $4,093.94 per person.

Table 2: Asset Inventory and Capital Value

Name	Acres	Land Value	Improvement Value	Total Value
132nd Square Park	9.7	$ 466,000	$ 2,462,121	$ 2,928,121
Beach Property	2.6	45,000	0	45,000
Brookhaven Park	0.9	622,100	24,725	646,825
Carillon Woods	8.7	9,634,000	180,920	9,814,920
Cedar View Park	0.2	465,500	101,500	567,000
Cotton Hill Park	2.2	803,000	0	803,000
Crestwoods Park	26.6	13,784,500	2,457,493	16,241,993
David E. Brink Park	0.9	15,379,000	648,124	16,027,124
Edith Moulton Park	26.7	3,648,000	287,940	3,935,940
Everest Park	23.2	5,812,800	3,918,638	9,731,438
Forbes Creek Park	2	2,852,000	524,875	3,376,875
Forbes Lake Park	8.8	1,382,000	0	1,382,000
Heritage Park	10.1	16,215,500	2,091,641	18,307,141
Heronfield Wetlands	28.1	2,128,200	16,100	2,144,300
Highlands Park	2.7	1,271,000	351,584	1,622,584
Houghton Beach Park	3.8	30,150,000	2,238,895	32,388,895
Juanita Bay Park	110.8	25,880,200	4,886,922	30,767,122
Juanita Beach Park	21.9	10,752,000	9,210,079	19,962,079
Juanita Heights Park	6.1	1,168,000	5,600	1,173,600
Kingsgate Park	6.9	1,293,000	5,600	1,298,600
Kiwanis Park	2.6	8,282,000	16,000	8,298,000
Lake Ave W Street End Park	0.3	5,513,278	12,700	5,525,978
Marina Park	3.6	12,000,000	5,573,669	17,573,669
Mark Twain Park	6.6	624,000	874,062	1,498,062
Marsh Park	4.1	16,950,000	705,526	17,655,526
McAuliffe Park	11.6	2,888,800	523,408	3,412,208
Neil-Landguth Wetland Park	1.29	140,000	5,000	145,000
North Kirkland Com Ctr Park	5.5	3,172,800	7,196,029	10,368,829

Name	Acres	Land Value	Improvement Value	Total Value
North Rose Hill Woodlands Park	20.9	1,944,000	1,100,505	3,044,505
Ohde Avenue Pea Patch	0.9	666,000	2,250	668,250
Open Space 1138020240	0.5	189,000	0	189,000
Open Space 1437900440	0.9	1,000	0	1,000
Open Space 3295730200	1.5	1,000	0	1,000
Open Space 3326059150	1.5	988,000	0	988,000
Open Space 6639900214	1.1	177,000	0	177,000
Open Space 3326059136	1.5	1,060,900	0	1,060,900
Open Space 2426049132	8.3	651,000	0	651,000
Open Space 2540800430	0.1	1,000	0	1,000
Open Space 3261020380	2.0	5,000	0	5,000
Open Space 3275740240	1.0	1,000	0	1,000
Open Space 3754500950	1.9	476,000	0	476,000
Open Space 6619910290	0.1	240,000	0	240,000
Open Space 7016100600	2.2	536,000	0	536,000
Open Space 7016300061	0.8	1,000	0	1,000
Open Space 7955060320	0.7	164,000	0	164,000
Open Space 9527000610	0.8	1,000	0	1,000
Open Space 1119000270	0.4	1,000	0	1,000
Open Space 3558910830	1.9	1,000	0	1,000
Peter Kirk Park	12.5	27,181,400	17,367,453	44,548,853
Phyllis A Needy - Houghton Nbr	0.5	422,000	363,653	785,653
Reservoir Park	0.6	718,000	150,300	868,300
Rose Hill Meadows	4.1	1,888,000	452,044	2,340,044
Settler's Landing	0.1	1,800,000	506,400	2,306,400
Snyders Corner Park	4.5	772,000	0	772,000
South Norway Hill Park	9.8	2,553,400	0	2,553,400
South Rose Hill Park	2.2	450,000	480,721	930,721
Spinney Homestead Park	6.5	3,896,000	718,878	4,614,878
Street End Park	0.1	299,891	0	299,891
Terrace Park	1.8	865,700	397,787	1,263,487
Tot Lot Park	0.5	763,000	138,205	901,205

Name	Acres	Land Value	Improvement Value	Total Value
Van Aalst Park	1.6	1,788,000	260,160	2,048,160
Watershed Park	75.5	10,248,900	0	10,248,900
Waverly Beach Park	2.8	6,605,500	1,761,240	8,366,740
Windsor Vista Park	4.8	977,000	0	977,000
Wiviott Property	0.7	131,000	0	131,000
Yarrow Bay Wetlands	74.2	3,209,600	0	3,209,600
Cross Kirkland Corridor Trail	5.75 miles	1,000,000	4,102,560	5,102,560
Total Capital Value of Parks		**265,996,969**	**72,121,304**	**338,118,273**
Current Population				**82,590**
Parks Capital Value per Person				**$ 4,093.94**

Parks that list zero values for improvements are either open space that will not ever have improvements of significant value or they are park sites that will be improved in the future, but are not yet improved.

Formula 2: Value Needed for Growth

Impact fees must be related to the needs of growth, as explained in Chapter 2. The first step in determining growth's needs is to calculate the total value of parks that are needed for growth. The calculation is accomplished by multiplying the capital value per person times the number of new persons that are forecast for the City's growth.

2.	Capital Value per Person	x	Population Growth	=	Value Needed for Growth

There is one new variable used in formula 2 that requires explanation: (B) forecast of future population growth.

Variable (B): Forecast Population Growth

As part of the City of Kirkland's long-range planning process, including its Comprehensive Plan pursuant to the Growth Management Act, the City prepares forecasts of future growth. During the next 6 years the City expects 4,320 additional people to live in Kirkland.

Table 3 shows the calculation of the value of parks needed for growth. The current capital value per person is from Table 2. The growth in population is from the City of Kirkland, as described above. The result is that Kirkland needs to add parks valued at $17.6 million in order to serve the growth of 4,320 additional people who are expected to be added to the City's existing population.

Table 3: Value of Parks Needed for Growth

Capital Value per Person		Growth of Population		Value Needed for Growth
$ 4,093.94	x	4,320	=	$ 17,685,809

Formula 3. Investment Needed for Growth

The investment needed for growth is calculated by subtracting the value of any existing reserve capacity from the total value of parks needed to serve the growth.

3.	Value Needed for Growth	-	Value of Existing Reserve Capacity	=	Investment Needed for Growth

There is one new variable used in formula 3 that requires explanation: (C) value of existing reserve capacity of parks.

Variable (C): Value of Existing Reserve Capacity

The value of reserve capacity is the difference between the value of the City's existing inventory of parks, and the value of those assets that are needed to provide the level of service standard for the existing population. Because the capital value per person is based on the current assets and the current population, there is no reserve capacity (i.e., no unused value that can be used to serve future population growth)[3].

Table 4 shows the calculation of the investment in parks that is needed for growth. The value of parks needed to serve growth (from Table 3) is reduced by the value

[3] Also, the use of the current assets and the current population means there is no existing deficiency. This approach satisfies the requirements of RCW 82.02.050(4) to determine whether or not there are any existing deficiencies in order to ensure that impact fees are not charged for any deficiencies.

of existing reserve capacity, in this case zero, and the result shows that Kirkland needs to invest $17.6 million in additional parks in order to serve future growth.

Table 4: Investment Needed in Parks for Growth

Value Needed for Growth		Value of Existing Reserve Capacity		Investment Needed for Growth
$ 17,685,809	-	$ 0	=	$ 17,685,809

Formula 4. Adjustment to be Consistent with Kirkland's CIP

Impact fees must be based on and used for projects in the City's CIP. Impact fees are limited to projects that add capacity to the park system and therefore provide additional parks for growth. Impact fees can only be charged for the portion of the cost of the capacity projects that are not paid for by other funding sources. If the unfunded cost of parks projects that add capacity is less than the investment needed for growth, the impact fee calculations must include an adjustment to limit the fee to an amount that is consistent with the CIP.

The adjustment is calculated by dividing the unfunded cost of CIP projects that add capacity by the amount of the investment that is needed for growth. The result is the percentage of the needed investment that is provided by the CIP.

4.	Unfunded Cost of CIP Projects That Add Capacity	/	Investment Needed for Growth	=	Adjustment %

There is one new variable used in formula 4 that requires explanation: (D) unfunded cost of projects in the CIP that add capacity to the parks.

Variable (D): Unfunded Cost of CIP Projects that Add Capacity

The City of Kirkland's CIP has numerous projects for parks. Some of the projects add capacity to the park system by increasing acreage and/or adding improvements.

The City of Kirkland uses a combination of state grants, local real estate excise taxes and the local park levy to pay for part of the cost of park and recreation capital facilities.

A detailed analysis was made of the City's 2015-20 CIP[4]. There are a total of $21.4 million of parks projects. Projects costing $11.6 million add capacity to the park system, and therefore are considered projects eligible for impact fee funding. However, $4.7 million of the capacity projects have identified potential funding from grants and/or local revenues. The remaining $6.9 million cost of the capacity projects is unfunded, and therefore only that amount is eligible to be the basis of the park impact fee.

Revenues that are used for repair, maintenance or operating costs are not used to reduce impact fees because they are not used, earmarked or prorated for the system improvements that are the basis of the impact fees. Revenues from past taxes paid on vacant land prior to development are not included because new capital projects do not have prior costs, therefore prior taxes did not contribute to such projects.

The other potential credits that reduce capacity costs (and subsequent impact fees) are donations of land or other assets by developers or builders. Those reductions depend upon specific arrangements between the developer and the City of Kirkland. Reductions in impact fees for donations are calculated on a case-by-case basis at the time impact fees are to be paid.

Table 5 shows the calculation of the adjustment percentage. The $6.9 million unfunded cost of CIP projects that add capacity is divided by the $17.7 million investment that is needed for growth in order to provide the current capital value per person to all new residential development. The calculation is that the CIP projects will provide 38.77% of the investment needed for growth. That percentage is the adjustment percent.

Table 5: Adjustment for Consistency with CIP

Unfunded Cost of CIP Projects That Add Capacity		Investment Needed for Growth		Adjustment %
$ 6,857,400	/	$ 17,685,809	=	38.77%

Formula 5: Growth Cost Per Person

The growth cost per person is calculated by multiplying the current capital value per person by the adjustment percent.

[4] The analysis is presented in the Appendix.

5.	Capital Value per Person	x	Adjustment %	=	Growth Cost per Person

There are no new variables used in formula 5. Both variables were developed in previous formulas.

Table 6 shows the calculation of the cost per person adjusted for park CIP capacity projects that needs to be paid by growth. The capital value per person (from Table 2), is multiplied times the adjustment percent (from Table 5), and the result shows that cost for parks to be paid by growth is $1,587.36 per person.

Table 6: Growth Cost per Person

Capital Value per Person		Adjustment %		Growth Cost per Person
$ 4,093.94	X	38.77%	=	$ 1,587.36

Formula 6: Impact Fee per Unit of Development

The amount to be paid by each new unit of residential development depends on the average number of persons per dwelling unit. The cost per unit of development is calculated by multiplying the growth cost per person by the average persons per dwelling unit for each type of development.

6.	Growth Cost per Person	X	Persons per Dwelling Unit	=	Cost per Unit of Residential Development

There is one new variable used in formula 6 that requires explanation: (E) persons per dwelling unit.

Variable (E): Persons Per Dwelling Unit

An average single-family home is larger than an average multi-family residence, and it houses a larger average number of persons per dwelling unit. The City of Kirkland Planning Department provided the average number of persons per dwelling unit that are used in Table 7.

Table 7 shows the calculation of the parks impact fee per unit of development. The growth cost of $1,587.36 per person from Table 6 is multiplied times the

average number of persons per dwelling unit to calculate the impact fee per unit of residential development.

Table 7: Impact Fee per Unit

Type of Development	Growth Cost per Person		Average Number of Persons per Dwelling Unit		Impact Fee Per Unit of Development
Single-family	$ 1,587.36	x	2.5	=	$ 3,968.40
Multi-family	1,587.36	x	1.9	=	3,015.99

APPENDIX: PARKS CIP PROJECTS THAT ADD CAPACITY 2015-2020

The Parks Capital Improvement Program (CIP) for 2015-2020 contains 18 projects. Their project numbers and names are listed in columns 1 and 2 of Table A-1. The cost of the projects listed in column 3 totals $21,441,500. Column 4 lists the percent of each project that capacity to the park system by increasing acreage and/or adding improvements. These additions increase the value of the park system, and therefore provide value that serves growth. The capacity cost of the projects is determined by multiplying the capacity % (column 4) times the total cost (column 3). The resulting capacity costs listed in column 5 totals $11,589,000. The non-capacity cost is the difference between the total cost and the capacity cost, and represents repairs, remodeling, renovations and other costs that take care of current assets, but do not add to the capacity of the assets. Column 6 shows the non-capacity costs that total $9,852,500.

Columns 7 through 9 itemize the amounts of funding that Kirkland estimates will become available to pay a portion of the total cost of each project. The sources are local real estate excise taxes (REET in column 7), money held in reserve from previous years (column 8), proceeds from the 2012 park levy (a local property tax in column 9), and contributions to Kirkland in the form of grants from other governments or donations from individuals or businesses (column 10). The total of all funding for each project is listed in column 11, and the total for all projects is $14,584,100.

The unfunded capacity cost is calculated by subtracting the total funding (column 11) from the total cost (column 3). This is calculated by applying the other funding first to the non-capacity costs, then to the capacity costs. Any amount or projects that is unfunded is therefore a capacity cost, and it is eligible for impact fees paid by new development. The amounts for each project are listed in column 12, and the total for all projects is $6,857,400.

Specific totals derived from this analysis are summarized in Variable D of Formula 4 in Chapter 3 of this study.

Table A-1: Kirkland Parks CIP Projects that Add Capacity – 2015-2020

1 Project #	2 Project Name	3 Total Cost	4 % Capacity	5 Capacity Cost	6 Non-Capacity Cost	7 Funding: REET 1	8 Funding: Reserve	9 Funding: Park Levy	10 Funding: Grants or Donations	11 Total Funding	12 Unfunded Capacity Cost
PK 0049	Open Space, Pk Land & Trail Acq Grant Match Program	100,000	100%	100,000	0	0	100,000	0	0	100,000	0
PK 0066	Park Play Area Enhancements	350,000	25%	87,500	262,500	300,000	0	0	0	300,000	50,000
PK 0087 100	Waverly Beach Park Renovation	595,500	60%	357,300	238,200	0	504,500	0	91,000	595,500	0
PK 0087 101	Waverly Beach Park Renovation Phase 2	1,250,000	40%	500,000	750,000	0	0	873,000	0	873,000	377,000
PK 0119 002	Juanita Beach Park Development Phase 2	1,308,000	10%	130,800	1,177,200	678,000			500,000	1,178,000	130,000
PK 0119-100	Juanita Beach Bathhouse Replacement & Shelter	1,200,000	20%	240,000	960,000	0	0	1,200,000	0	1,200,000	0
PK 0121	Green Kirkland Forest Restoration Project	500,000	0%	0	500,000	450,000	0	0	50,000	500,000	0
PK 0133-100	Dock and Shoreline Renovations	1,000,000	0%	0	1,000,000	0	0	1,000,000	0	1,000,000	0
PK 0133-200	City-School Playfield Partnership	1,850,000	25%	462,500	1,387,500	0	0	1,000,000	850,000	1,850,000	0
PK 0133-300	Neighborhood Park Land Acquisition	2,984,000	100%	2,984,000	0	0	0	2,250,000	0	2,250,000	734,000
PK 0133-400	Edith Moulton Park Renovation	800,000	25%	200,000	600,000	0	0	600,000	0	600,000	200,000
PK 0133-401	Edith Moulton Park Renovation Phase 2	1,115,000	70%	780,500	334,500	127,400	7,600	200,000	0	335,000	780,000
PK 0134	132nd Square Park Playfield Improvements	637,000	20%	127,400	509,600	509,600	0	0	0	509,600	127,400
PK 0138	Everest Park Restroom/ Storage Building Replacement	708,000	0%	0	708,000	708,000	0	0	0	708,000	0

1 Project #	2 Project Name	3 Total Cost	4 % Capacity	5 Capacity Cost	6 Non-Capacity Cost	7 Funding: REET 1	8 Funding: Reserve	9 Funding: Park Levy	10 Funding: Grants or Donations	11 Total Funding	12 Unfunded Capacity Cost
PK 0139 200	Totem Lake Park master Plan & Development	1,744,000	100%	1,744,000	0	660,000	0	0	500,000	1,160,000	584,000
PK 0139 300	Totem Lake Park Development Phase 2	2,800,000	100%	2,800,000	0	0	0	0	0	0	2,800,000
New project based on CNM 0024 301 - PK 146 (working project #)	King County Eastside Rail Acquisition in North Kirkland - CKC North Extension Development	1,000,000	100%	1,000,000	0	0	0	0	0	0	1,000,000
PK 147 (working project #)	Parks Maintenance Center	1,500,000	5%	75,000	1,425,000	1,425,000	0	0	0	1,425,000	75,000
	Totals	21,441,500		11,589,000	9,852,500	4,858,000	612,100	7,123,000	1,991,000	14,584,100	6,857,400

CITY OF KIRKLAND
123 Fifth Avenue, Kirkland, WA 98033 425.587.3000
www.kirklandwa.gov

ATTACHMENT 3

MEMORANDUM

To: Kurt Triplett, City Manager

From: Eric Shields, Planning and Building Director

Date: August 27, 2015

Subject: School Impact Fees

Recommendation

Council receives a briefing on the proposal to increase the amount of school impact fees collected by the City on behalf of the Lake Washington School District, effective January 1, 2016, and provides direction on any desired changes and directs staff to bring an ordinance changing the fees, along with changes to other impact fees, for Council adoption at the December 8 Council meeting.

Background

Kirkland is currently collecting school impact fees on behalf of the Lake Washington School District. Every year, the District prepares a Capital Facilities Plan that establishes the capital needs of the District and calculates the amount of impact fees necessary to support the Plan. The formula used to calculate impact fees discounts the amount of the fees by 50%.

A new Capital Facilities Plan 2015-2020 was adopted by the Lake Washington School District Board on June 1, 2015 (attached). The new plan establishes the following school impact fee rates:

	Existing (2014) Rates	Proposed (2015) Rates	Proposed Increase
Single Family Units	$9,623	$9,715	$92
Multi-family Units	$ 745	$ 816	$71

Forrest Miller, Director of Support Services for the Lake Washington School District, submitted a letter on July 27, 2015 requesting that the City collect the increased fees beginning no later than January 1, 2016. Mr. Miller has been invited to the September 15, 2015 City Council meeting and should be available at that time to answer any questions the Council may have about the new fees.

Attachment A: Letter from Forrest Miller and adopted LWSD Capital Facility Plan 2015-2016

Lake Washington School District

Support Services Center
15212 N.E. 95th Street
Redmond WA. 98052
Office: (425) 936-1100 • Fax: (425) 883-8387

July 27, 2015

Mr. Eric Shields, AICP
City of Kirkland Planning Director
Kirkland City Hall
123 5th Avenue
Kirkland, WA 98033

RE: 2015 Capital Facilities Plan and School Impact Fees

Dear Eric:

Enclosed please find the Lake Washington School District's 2015 Capital Facilities Plan (the "Updated CFP") and school impact fees. The District's Board of Directors adopted the Updated CFP on June 1, 2015. The District presented the Updated CFP to the King County School Technical Review Committee (STRC) on July 15, 2015. The STRC is recommending that King County approve the District's Updated CFP and school impact fees.

The District's requested school impact fees are $9,715 for single family dwelling units (an increase of $92 over the 2014 rate) and $816 for multi-family dwelling units (an increase of $71 over the 2014 rate). The school impact fees are based upon capacity projects at all grade levels needed to serve new growth. The fees have increased slightly this year primarily due to an increase in the elementary school student generation rate. However, this increase is largely offset by the increase in the tax payment credit (based on increased average assessed valuation). The school impact fees continue to be discounted by fifty percent of the calculated rate.

The District requests that the City of Kirkland begin its process to adopt the Capital Facilities Element of the City's Comprehensive Plan to reflect the Updated CFP and to update the school impact fees charged by the City to reflect the District's updated school impact fees. Ideally, the City's new fees would be effective no later than January 1, 2016.

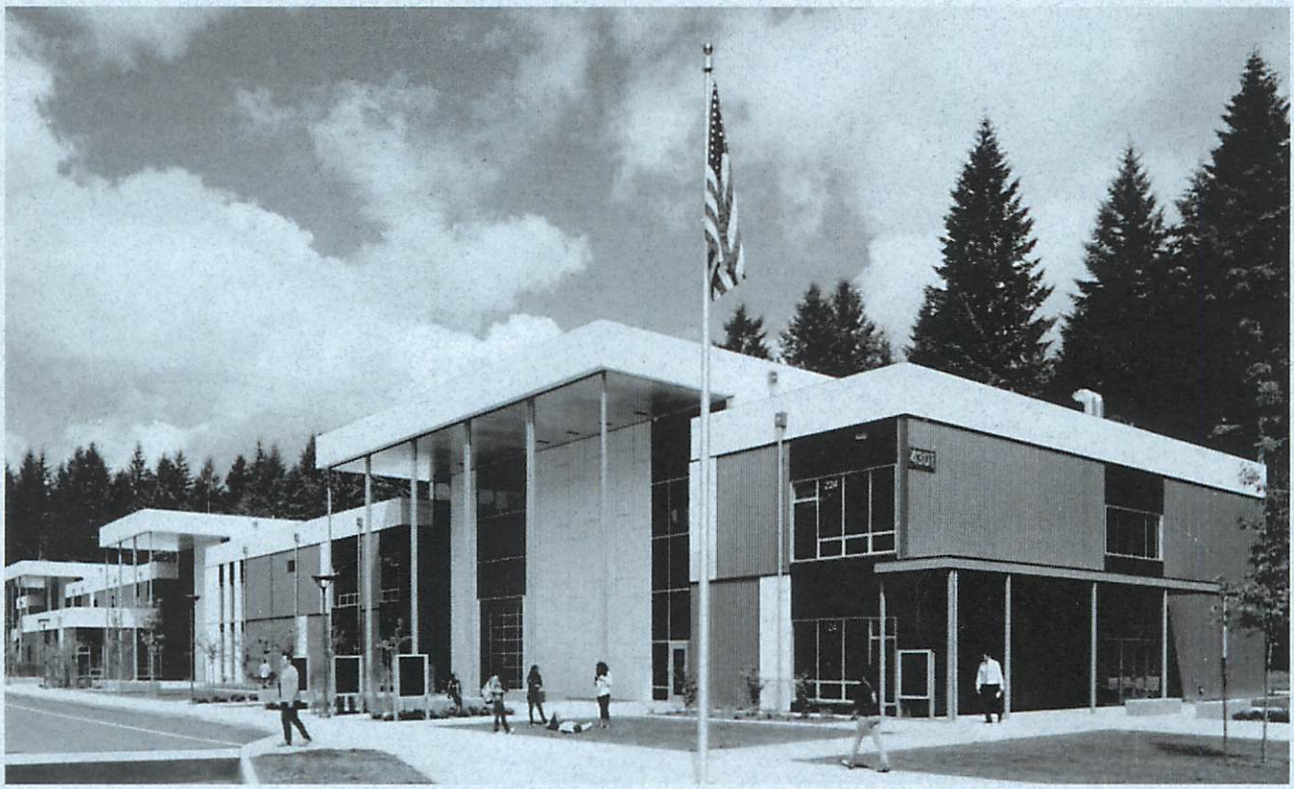
Please let me know if you have any questions related to the Updated CFP and/or school impact fees. In addition, please let me know of the City's estimated timeline for updating the school impact fees.

Sincerely,

Forrest W. Miller, CFM, REFP, EFM
Director, Support Services

Enclosure
cc: Denise L. Stiffarm, Pacifica Law Group
Rob Jammerman, City of Kirkland
Paul Stewart, City of Kirkland

Six-Year Capital Facilities Plan
2015 - 2020



Nikola Tesla STEM High School

Board Adopted: June 1, 2015

Lake Washington School District #414

Serving Redmond, Kirkland, Sammamish, and King County, Washington

Lake Washington School District #414

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Siri Bliesner

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SUPERINTENDENT

Dr. Traci Pierce

Lake Washington School District's Six-Year Capital Facilities Plan 2015-2020

For information about this plan, call the District Support Services Center (425.936.1108)

TABLE OF CONTENTS

I. Executive Summary

This Six-Year Capital Facilities Plan (the "plan") has been prepared by the Lake Washington School District (the "district"). It is the organization's primary facility planning document in compliance with the requirements of the State of Washington's Growth Management Act and King County Code 21A.43. This plan was prepared using data available in the spring of 2015.

King County was the first jurisdiction in the State of Washington to adopt a Growth Management Act school impact fee ordinance in 1991 (with fee collection first becoming effective in 1992). The King County Council adopted the ordinance, including the school impact fee formula, following a stakeholder process that included representatives from school districts and the development community. The adopted formula requires that the calculated fee be reduced by fifty percent. This discount factor was negotiated as a part of the stakeholder process. Most cities in King County (and in other areas) adopted the King County school impact fee formula, including the discount factor, in whole as a part of their school impact fee ordinances.

In order for impact fees to be collected in the unincorporated areas of King County, the King County Council must adopt this plan. The cities of Redmond, Kirkland and Sammamish have each adopted a school impact fee policy and ordinance similar to the King County model.

Pursuant to the requirements of the Growth Management Act and the local implementing ordinances, this plan will be updated on an annual basis with any changes in the fee schedule adjusted accordingly. See *Appendix B* for the current single family calculation and *Appendix C* for the current multi-family calculation.

The district's capital facilities plan establishes a "standard of service" in order to ascertain current and future capacity. This plan reflects the current student/teacher standard of service ratio and service model for other special programs. Future state funding decisions could have an additional impact on class sizes and facility needs.

While the State Superintendent of Public Instruction establishes square foot guidelines for funding, those guidelines do not account for the local program needs in the district. The Growth Management Act and King

I. Executive Summary *(continued)*

County Code 21A.43 authorize the district to determine a standard of service based on the district's specific needs.

The district's current standard provides the following (see *Section III* for specific information):

Grade Level	Target Teacher-Student Ratio
K-1	20 Students
2-3	25 Students
4-5	27 Students
6-8	30 Students
9-12	32 Students

School capacity is based on the district standard of service and the existing inventory of available classrooms, including both permanent and relocatable (portable) classrooms. As shown in *Appendix A*, the district's overall total capacity is 27,976, including permanent capacity of 24,817and 3,159 in relocatables. Student headcount enrollment as of October 1, 2014 was 26,492.

The district experienced actual growth of 664 students in 2014. A six-year enrollment projection, as required for this plan, is shown in *Table 1*. During the six-year window from 2014 to 2020, enrollment is projected to increase by 3,343 students to a total of 30,055. An additional 712 students are expected from 2020 to 2022. Growth is projected at all grade levels.

It is one of the fastest growing school districts in the state. The most significant growth continues to be in the Redmond area. However, growth is also occurring in Kirkland and some growth in the Sammamish area resulting in overcrowding in many district schools. The district continues to see some growth from areas in unincorporated King County.

In February 2006, voters in the Lake Washington School District passed a bond measure to fund Phase II (2006-2013) of the Major Construction School Modernization/Replacement Program. The District has completed all these projects. In addition, in February 2011, a Major Construction

I. Executive Summary *(continued)*

Capital Levy measure was approved by voters to construct additional

classrooms at Redmond High School and Eastlake High School, and also build the new Nikola Tesla STEM (Science Technology Engineering and Math) High School on the east side of the district. All three of these projects are also complete.

The district presented two bond measures to voters in 2014. Both bond measures failed. The first bond measure included both projects that addressed capacity issues and also aging facilities. The second bond measure included only projects needed to address capacity issues. The need still exists and it is anticipated that, subject to voter approval, similar projects will open or be in progress during the timeframe of this plan:

- Construct three new elementary schools: one in the Redmond Ridge East development area, one somewhere in the City of Kirkland, and the other in the North Redmond area
- Build a new middle school in the Redmond Ridge area
- Replace and expand Juanita High School and also begin construction on a new secondary Science, Technology, Engineering and Math focused High School on the same campus
- Expand Lake Washington High School with an addition to accommodate growth
- Add relocatable classrooms to address capacity as needed in the district.

A financing plan is included in *Section VIII.*

II. Six-Year Enrollment Projection and Long Term Planning

Six-Year Enrollment Projection

The district developed long-term enrollment projections to assess facility capacity needs in preparation for a 2014 bond measure. Based on these projections the district expects enrollment to increase by over 3,343 students from the 2015 school year through 2020.

The district experienced actual growth of 664 students in 2014. A six-year enrollment projection, as required for this plan, is shown in *Table 1*. During the six-year window from 2014 to 2020, enrollment is projected to increase by 3,343 students resulting in a 12.5% over the current student population. Growth is expected to significantly impact all grade levels. Enrollment growth of an additional 712 students is expected through 2022.

Student enrollment projections have been developed using two methods: (1) *cohort survival* - which applies historical enrollment trends to the classes of existing students progressing through the system; and (2) *development tracking* - which projects students anticipated from new development. The cohort survival method was used to determine base enrollments. Development tracking uses information on known and anticipated housing development. This method allows the district to more accurately project student enrollment resulting of new development by school attendance area.

Cohort Survival

King County live birth data is used to predict future kindergarten enrollment. Actual King County live births through 2013 are used to project kindergarten enrollment through the 2018-2019 school year. After 2019, the number of live births is based on King County projections. Historical data is used to estimate the future number of kindergarten students that will generate from county births. For other grade levels, cohort survival trends compares students in a particular grade in one year to the same group of students in prior years. From this analysis a cohort survival trend is determined. This trend shows if the cohort of students is increasing or decreasing in size. This historical trend can then be applied to predict future enrollment.

II. Six-Year Enrollment Projection and Long Term Planning *(continued)*

Development Tracking

In order to ensure the accuracy and validity of enrollment projections, a major emphasis has been placed on the collection and tracking of data of 94 known new housing developments within the district. This information is obtained from the cities and county and provides the foundation for a database of known future developments and assures the district's plan is consistent with the comprehensive plans of the local permitting jurisdictions. Contact is made with each developer annually to determine the number of homes to be built and the anticipated development schedule. Some small in-fill or short plat projects are not tracked, such activity may result in increased student population.

Student Generation Rates

Developments that are near completion, or have been completed, within the last five years are used to forecast the number of students generated by new development. District wide statistics show that each new single-family home currently generates a 0.410 elementary student, 0.128 middle school student, and 0.099 senior high student, for a total of 0.637 school-age child per single family home (see *Appendix B*). New multi-family housing units currently generate an average of 0.062 elementary student, 0.016 middle school student, and 0.014 senior high student for a total of 0.092 school age child per multi-family home (see *Appendix C*). Since 2014 the total of the student generation numbers has increased for both single-family developments and multi-family developments. These student generation factors (see *Appendix D*) are used to forecast the number of students expected from the new developments which are planned over the next six years.

III. Current District "Standard of Service"

King County Code 21A.06 refers to a "standard of service" that each school district must establish in order to ascertain its overall capacity. The standard of service identifies the program year, the class size, the number of classrooms, students and programs of special need, and other factors determined by the district, which would best serve the student population. Relocatables (i.e. portable classroom units) may be included in the capacity calculation using the same standards of service as permanent facilities.

The standard of service outlined below reflects only those programs and educational opportunities provided to students that directly affect the capacity of the school buildings. The special programs listed below require classroom space; reducing the total permanent capacity of the buildings housing these programs. Newer buildings have been constructed to accommodate some of these programs. Older buildings require additional reduction of capacity to accommodate these programs. At both the elementary and secondary levels, the district considers the ability of students to attend neighborhood schools to be a component of the standard of service.

The standard of service changed slightly in the 2012-2013 school year to reflect the change in the school configuration model from K-6, 7-9 and 10-12 to a K-5, 6-8, 9-12 model. The standard of service will remain almost the same in the 2015-2016 school year.

The district's standard of service, for capital planning purposes and the projects identified in this plan, includes space needed to serve all students in All Day Kindergarten. In 2009, the State legislature established a schedule to fully fund All Day Kindergarten by 2017. Due to space limitations, the district's current standard of service is to provide one All Day Kindergarten classroom per school and provide additional All Day Kindergarten classrooms based on space available and demand for the fee based program. Currently, 68% of students participate in the All Day Kindergarten program.

III. Current District "Standard of Service" *(continued)*

Standard of Service for Elementary Students

School capacity at elementary schools is calculated on an average class size in grades K-5 of 24; based on the following student/teacher staffing ratios:

- Grades K - 1 @ 20:1
- Grades 2 - 3 @ 25:1
- Grades 4-5 @ 27:1

The elementary standard of service model also includes:

- Special Education for students with disabilities which may be provided in a self-contained classroom
- Music instruction provided in a separate classroom
- Computer Lab
- Art/Science room in modernized schools

Identified students will also be provided other educational opportunities in classrooms designated as follows:

- Resource rooms
  - District remediation programs
  - Learning assisted programs
  - Special Education
- English Language Learners (ELL)
- Preschool
- Gifted education (pull-out Quest programs)

Standard of Service for Secondary Students

School capacity at secondary school is based on the follow class size provisions:

- Class size for grades 6-8 should not exceed 30 students
- Class size for grades 9-12 should not exceed 32 students

III. Current District "Standard of Service" *(continued)*

In the secondary standard of service model:

- Special Education for students with disabilities may be provided in a self-contained classroom

Identified students will also be provided other special educational opportunities in classrooms designated as follows:

- Resource rooms
- English Language Learners (ELL)

Room Utilization at Secondary Schools

It is not possible to achieve 100% utilization of regular teaching stations at secondary schools due to scheduling conflicts for student programs, the need for specialized rooms for certain programs, and the need for teachers to have a work space during their planning periods. The district has determined a standard utilization rate of 70% for non-modernized secondary schools. For secondary schools that have been modernized, the standard utilization rate is 83%. The anticipated design of the modernized schools and schools to be constructed will incorporate features which will increase the utilization of secondary schools.

IV. Inventory and Evaluation of Current Facilities

The district has total classrooms of 1,391, including 1,253 permanent classrooms and 138 relocatable classrooms (see *Appendix A-1).* These classrooms represent a theoretical capacity to serve 32,501 if all classrooms were only used as general classroom spaces. However, the district's standard of service provides for the use of classrooms for special programs, such as special education, English Language Learners and safety net programs. These programs serve students at much lower student to teacher ratios than general education classrooms, or serve the same students for a portion of the day when they are pulled out of the regular classroom.

As a result, the real capacity of these school buildings is significantly lower. A total of 215 classroom spaces are used for special programs as shown in Appendix A-2. The remaining classrooms establish the net available capacity for general education purposes and represent the district's ability to house projected student enrollment based on the Standard of Service defined in Section III, Current District Standard of Service.

After providing space for special programs the district has a net available classroom capacity to serve 27,976 students. This includes 24,385 in permanent regular education capacity, 432 for self-contained program capacity and 3,159 in portable (relocatable) capacity.

The school configuration change that was implemented in 2012-2013 provided some relief to the capacity issues faced at the elementary level at that time. Without this change the district would have needed to construct four elementary schools in addition to those needed as a result of current enrollment projections.

Enrollment is expected to increase to 30,055 in 2020 (see *Table 1*).

The physical condition of the district's facilities is documented in the 2013 State Study and Survey of School Facilities completed in accordance with WAC 180-25-025. As schools are modernized or replaced, the State Study and Survey of School Facilities report is updated. That report is incorporated herein by reference. In addition every district facility is annually evaluated as to condition in accordance with the State Asset Preservation Program.

V. Six-Year Planning and Construction Plan

Enrollment projections show that enrollment will increase at all grade spans. Based on the enrollment projections contained in *Table 5*, student enrollment is anticipated to reach 30,055 by 2020. The district current inventory of existing permanent capacity is 24,817. As a result student enrollment will exceed permanent capacity by 5,238 students in 2020.

To address existing and future capacity needs, the district contemplates using the following strategies:

- Construction of new schools
- Additions/expansion of existing high schools
- Modernization/replacement of older schools with increased capacity as needed
- Use of relocatables
- School feeder boundary adjustments
- Closing schools to out-of-attendance area variances

Construction of new capacity in one area of the district could indirectly create available capacity at existing schools in other areas of the district through area specific boundary adjustments. Future updates to this plan will include specific information regarding adopted strategies.

Strategies to address capacity needs employed over the prior six year planning timeline (2009-2014) include:

- Additional portables were placed at Rosa Parks Elementary School located within the Redmond Ridge development, which opened in the fall of 2006. The growth in the Redmond Ridge and Redmond Ridge East areas has resulted in the need to place ten (10) portables at the school over the last six years.

V. Six-Year Planning and Construction Plan *(continued)*

- Phase II School Modernization (2006-2013) was funded by the voters in February 2006. The approved bond measure funded the modernization/replacement of 11 schools throughout the district. School modernization/replacement projects included the addition of new student permanent capacity, as needed. The Phase II School Modernization projects included:
    - Frost Elementary School opened in the fall of 2009
    - Lake Washington High School and Finn Hill Middle School opened in the fall of 2011
    - Muir, Sandburg, and, Keller Elementary Schools opened in the fall of 2012
    - Bell, Rush, and Community Elementary Schools; Rose Hill Middle School; and International Community School opened in the fall 2013
- Additional classrooms were built at Redmond and Eastlake High Schools, and a new Science, Technology, Engineering and Math (STEM) high school (Nikola Tesla STEM High School) was built on the east side of the District. The additions opened in the fall of 2012. The STEM school was opened in 2012.
- Three boundary adjustments were completed: (1) Due to overcrowding at Rosa Parks Elementary in Redmond Ridge, a temporary boundary adjustment was made to reassign some students from Redmond Ridge East to Wilder Elementary; (2) Because of overcrowding at Einstein and Rockwell Elementary Schools a temporary boundary adjustment was conducted to move unoccupied new developments from those schools to Mann Elementary; and, (3) District-wide boundary adjustments were identified in 2014 for implementation in the fall of 2015
- Four additional relocatables were added to Mann Elementary and to Wilder Elementary in the summer of 2014 to accommodate additional students.
- Twenty-two relocatable classrooms will be added at various locations in the summer of 2015 (as identified in *Section VI)* to help relieve capacity issues. Eight additional portables are planned to be added in 2016 to accommodate enrollment growth.

V. Six-Year Planning and Construction Plan *(continued)*

Based on the student enrollment and facility capacity outlined in *Table 5*, the district contemplates the need for multiple growth projects within the period of this plan including:

- Three new elementary schools (one in the Redmond Ridge East, one in North Redmond and one in Kirkland)
- A new middle school in the Redmond area
- Expansion of Lake Washington High School
- A new Science Technology Engineering and Math focused secondary school on the west side of the district
- Rebuilding and expansion of Juanita High School

The rebuilding and expansion of Juanita High School, as well as the addition of a new Science Technology Engineering and Math focused secondary school are anticipated to be under construction, but not completed during the six year window of this plan.

Completed projects, as shown in *Table 5*, would result in student enrollment exceeding permanent capacity by 1,340 students in 2020. Many district sites are either at or close to maximum relocatable placement.. However, the District would use relocatable capacity to address remaining capacity needs if sites are able to accommodate additional relocatables.

VI. Relocatable and Transitional Classrooms

The district facility inventory includes 138 relocatables (i.e. portable classroom units) that provide standard capacity and special program space as outlined in *Section III* (see *Appendix A*).

Relocatable classrooms have been used to address capacity needs in the following schools:

- In 2009, four relocatable classrooms were added to Rosa Parks Elementary School in the Redmond Ridge Development
- In 2010, relocatable classrooms were added to district schools in Redmond and unincorporated King County
  - *Redmond area*: Rockwell Elementary School – two classrooms, and Einstein Elementary School – one classroom
  - *Unincorporated King County area*: Rosa Parks Elementary School – four classrooms
- In 2011, the district placed relocatable classrooms at school sites in Kirkland, Redmond and unincorporated King County:
  - *Kirkland area*: Lakeview Elementary School – two classrooms, and Rose Hill Elementary School two classrooms
  - *Redmond area*: Rockwell Elementary School – one classroom and Redmond Middle School - four classrooms
  - *Unincorporated King County area*: Rosa Parks Elementary School – two classrooms
- In 2012, the district placed four relocatable classrooms at Redmond High School. In addition, because of capacity issues, Northstar Middle School moved from Lake Washington High School into relocatables units at Emerson High School and Renaissance Middle School moved from Eastlake High School into relocatables classrooms on the same campus.
- In 2013, four relocatable classrooms were added to Redmond High School to support special education program space needs and two additional relocatable classrooms were placed at Redmond Middle School.
- In 2014 the district placed an additional ten relocatable classrooms needed as a result of enrollment growth. Four relocatables were placed at Mann Elementary School in Redmond and two at

VI. Relocatable and Transitional Classrooms

Redmond Elementary School. Four relocatables were placed at Wilder Elementary School.

- In 2015 the district will add twenty-two portables to address enrollment growth. These will be placed at various schools throughout the district.
- The district also plans to add another eight portables in 2016

Within the six-year planning window of this plan, projections indicate that other relocatables may be needed in all four jurisdictions (Sammamish, Redmond, Kirkland and unincorporated King County).

For a definition of relocatables and permanent facilities, see *Section 2* of *King County Code 21A.06*. As schools are modernized/replaced, permanent capacity will be added to replace portables currently on school sites to the extent that enrollment projections for those schools indicate a demand for long-term permanent capacity (see *Table 5)*.

As enrollment fluctuates, relocatables provide flexibility to accommodate immediate needs and interim housing. Because of this, new school and modernized school sites are planned for the potential of adding up to four portables to accommodate the changes in demographics. The use and need for relocatable classrooms will be balanced against program needs.

VII. Six-Year Classroom Capacities: Availability / Deficit Projection

Based on the six-year plan, there will be insufficient total capacity to house anticipated enrollment (see *Table 5*). As demonstrated in *Appendix A*, the district currently has permanent capacity (classroom and special education) to serve 11,201 students at the elementary level, 6,050 students at the middle school level, and 7,134 students at the high school level. Current enrollment at each grade level is identified in *Appendix A*. As depicted in *Table 5*, the district currently has insufficient permanent capacity and will continue to have insufficient permanent capacity due to growth through 2020. To the extent possible, relocatable facilities will continue to be used to address capacity needs that cannot be served by permanent capacity. However many district sites are either at or close to maximum relocatable placement.

Differing growth patterns throughout the district may cause some communities to experience overcrowding. This is especially true in the eastern portions of the district where significant housing development has taken place. Following the recent slow economy, there are continued signs of recovery, particularly in housing starts, and growth and the number of developments under construction continues to increase. The continued development of Redmond Ridge East, northwest Redmond, the Sammamish Plateau and also the in-fill, short plats and other development in Kirkland, will put pressure on schools in those areas.

VIII. Impact Fees and the Finance Plan

The school impact fee formula calculates a proportionate share of the costs of system improvements that are reasonably related to new development. The formula multiplies the per student costs of site acquisition and construction costs for new capacity projects by a student generation rate to identify the share per dwelling unit share of the facilities that are needed to serve new growth. (The student generation rate is the average number of students generated by dwelling unit type - new single family and multi-family dwelling units.) The formula then provides a credit against the calculated costs per dwelling unit for any School Construction Assistance Program funding that the District expects to receive for a new capacity project from the State of Washington and for the estimated taxes that a new homeowner will pay toward the debt service on school construction bonds. The calculated fee (see *Appendix* B and *Appendix* C) is then discounted, as required by ordinance, by fifty percent.

For the purposes of this plan and the impact fee calculations, the actual construction cost data from Sandburg Elementary School, opened in 2012; Rose Hill Middle School, opened in 2013; and Lake Washington High School, opened in 2011 have been used (see *Appendix E*).

The finance plan shown on *Table 6* demonstrates how the Lake Washington School District plans to finance improvements for the years 2015 through 2020. The financing components include secured and unsecured funding. The plan is based on future bond approval, securing state construction funding assistance and collection of impact fees under the State's Growth Management Act, and voluntary mitigation fees paid pursuant to Washington State's Environmental Policy Act.

IX. Appendices

Appendices A1-2: Calculations of Capacities for Elementary Schools, Middle Schools, and Senior High Schools

Appendix B: Calculations of Impact Fees for Single Family Residences

Appendix C: Calculations of Impact Fees for Multi-Family Residences

Appendix D: Student Generation Factor Calculations

Appendices E1-3: Calculation Back-Up

Calculations of Capacities for Elementary, Middle, and High Schools

	TOTAL ALL CLASSROOMS						
	Number of Classrooms				Capacity		
Elementary Schools	Permanent	Portable	Total		Permanent 23 x Classrooms	Portable 23 x Portables	Total
ALCOTT	26	8	34		598	184	782
AUDUBON	22	2	24		506	46	552
BELL	27	0	27		621	0	621
BLACKWELL	24	3	27		552	69	621
CARSON	23	4	27		529	92	621
COMMUNITY	3	0	3		69	0	69
DICKINSON	23	4	27		529	92	621
DISCOVERY	3	0	3		69	0	69
EINSTEIN	24	1	25		552	23	575
EXPLORER	3	1	4		69	23	92
FRANKLIN	23	2	25		529	46	575
FROST	24	0	24		552	0	552
JUANITA	23	0	23		529	0	529
KELLER	21	0	21		483	0	483
KIRK	22	3	25		506	69	575
LAKEVIEW	22	4	26		506	92	598
MANN	22	4	26		506	92	598
MCAULIFFE	23	7	30		529	161	690
MEAD	25	6	31		575	138	713
MUIR	23	0	23		529	0	529
REDMOND	24	4	28		552	92	644
ROCKWELL	25	5	30		575	115	690
ROSA PARKS	27	10	37		621	230	851
ROSE HILL	24	2	26		552	46	598
RUSH	28	0	28		644	0	644
SANDBURG	25	0	25		575	0	575
SMITH	26	8	34		598	184	782
THOREAU	22	0	22		506	0	506
TWAIN	26	4	30		598	92	690
WILDER	23	8	31		529	184	713
Totals	**656**	**90**	**746**		**15,088**	**2,070**	**17,158**

	Number of Classrooms			Capacity			
Middle Schools	Permanent	Portable	Total	Capacity Percent	Permanent (30 x Capacity %)	Portable (30 x Capacity %)	Total
ENVIRONMENTAL****	5	0	5	83%	125	0	125
EVERGREEN	35	9	44	70%	735	189	924
FINN HILL****	28	0	28	83%	697	0	697
INGLEWOOD	55	0	55	70%	1,155	0	1,155
INTERNATIONAL ****	21	0	21	83%	523	0	523
KAMIAKIN	30	7	37	70%	630	147	777
KIRKLAND****	25	0	25	83%	623	0	623
NORTHSTAR	0	4	4	70%	0	84	84
REDMOND ****	37	6	43	83%	921	149	1,070
RENAISSANCE	0	4	4	70%	0	84	84
ROSE HILL ****	41	0	41	83%	1,021	0	1,021
STELLA SCHOLA	3	0	3	83%	75	0	75
Totals	**280**	**30**	**310**	**9**	**6,505**	**653**	**7,158**

	Number of Classrooms			Capacity			
Senior High Schools	Permanent	Portable	Total	Capacity Percent	Permanent (32 x Capacity %)	Portable (32 x Capacity %)	Total
EMERSON HIGH	10	2	12	70%	224	45	269
EASTLAKE	93	0	93	70%	2,083	0	2,083
FUTURES	3	0	3	70%	67	0	67
JUANITA	55	8	63	70%	1,232	179	1,411
LAKE WASHINGTON**	59	0	59	83%	1,567	0	1,567
REDMOND ****	73	8	81	83%	1,939	212	2,151
TESLA STEM ****	24	0	24	83%	637	0	637
Totals	**317**	**18**	**335**		**7,749**	**436**	**8,185**
TOTAL DISTRICT	**1253**	**138**	**1391**		**29,342**	**3,159**	**32,501**

Key:

Total Enrollment on this chart does not iinclude Emerson K-12, contractual, transition and WaNIC students

Self-continued rooms have a capacity of 12

Elem computer labs equal 1 in all buildings, except choice schools and those that have dedicated lab space, that can't be used as a classroom/resource area

Non-modernized secondary schools have standard capacity of 70%

****Modernized secondary schools have standard capacity of 83%

		SPECIAL PROGRAM CLASSROOMS USED										NET AVAILABLE CAPACITY				ENROLL T
		Number of Classrooms								Number of Classrooms						
Elementary Schools	Permanent Classrooms	Self Cont.	Resource Rooms	ELL Rooms	Pre-School	Computer Labs	Music Rooms	Arts/Sci Rooms	Pull-out Quest	Net Permanent	Portable	Net Permanent Classroom	Self Contained	Portable Capacity	Total	Oct 2
ALCOTT	26	0	2	1	0	1	2	0	0	20	8	460	0	184	644	645
AUDUBON	22	0	2	1	0	1	1	1	0	16	2	368	0	46	414	561
BELL	27	0	2	1	4	0	1	1	0	18	0	414	0	0	414	377
BLACKWELL	24	0	1	0	4	1	1	0	1	16	3	368	0	69	437	406
CARSON	23	0	1	0	0	1	1	1	0	19	4	437	0	92	529	426
COMMUNITY	3	0	0	0	0	0	0	0	0	3	0	69	0	0	69	73
DICKINSON	23	3	3	1	0	0	1	0	0	15	4	345	36	92	473	493
DISCOVERY	3	0	0	0	0	0	0	0	0	3	0	69	0	0	69	73
EINSTEIN	24	0	2	2	0	1	1	0	0	18	1	414	0	23	437	482
EXPLORER	3	0	0	0	0	0	0	0	0	3	1	69	0	23	92	72
FRANKLIN	23	0	2	0	0	1	1	1	1	17	2	391	0	46	437	466
FROST	24	1	2	1	0	1	1	1	0	17	0	391	12	0	403	397
JUANITA	23	0	1	1	4	1	1	1	0	14	0	322	0	0	322	326
KELLER	21	2	2	1	0	0	1	1	0	14	0	322	24	0	346	356
KIRK	22	0	3	0	0	0	1	0	0	18	3	414	0	69	483	495
LAKEVIEW	22	2	1	1	0	1	1	1	0	15	4	345	24	92	461	511
MANN	22	0	2	0	0	1	1	1	0	17	4	391	0	92	483	470
MCAULIFFE	23	2	1	0	0	0	1	0	0	19	7	437	24	161	622	491
MEAD	25	0	2	1	0	1	2	0	0	19	6	437	0	138	575	592
MUIR	23	0	3	1	1	0	1	1	0	16	0	368	0	0	368	373
REDMOND	24	2	3	1	0	1	1	0	0	16	4	368	24	92	484	481
ROCKWELL	25	0	2	1	0	0	1	0	0	21	5	483	0	115	598	673
ROSA PARKS	27	0	2	1	0	0	2	1	0	21	10	483	0	230	713	609
ROSE HILL	24	2	1	1	0	1	1	1	0	17	2	391	24	46	461	361
RUSH	28	0	2	1	1	0	1	1	0	22	0	506	0	0	506	521
SANDBURG	25	0	3	0	1	0	1	1	0	19	0	437	0	0	437	510
SMITH	26	0	4	0	0	1	2	0	0	19	8	437	0	184	621	598
THOREAU	22	0	2	0	0	1	1	0	1	17	0	391	0	0	391	274
TWAIN	26	1	2	1	0	1	1	1	0	19	4	437	12	92	541	618
WILDER	23	0	2	1	0	0	1	0	0	19	8	437	0	184	621	580
Totals	656	15	55	19	15	16	31	15	3	487	90	11,201	180	2,070	13,451	13,31
		Number of Classrooms														
Middle Schools		Self Cont.	Resource Rooms	ELL Rooms						Net Permanent Classrooms	Portable Classrooms	Net Permanent Classroom	Self Contained	Portable Capacity	Total	Oct 201
ENVIRONMENTAL****	5	0	0	0						5	0	125	0	0	125	144
EVERGREEN	35	2	2	0						31	9	651	24	189	864	883
FINN HILL****	28	0	1	0						27	0	672	0	0	672	599
INGLEWOOD	55	2	2	0						51	0	1,071	24	0	1,095	1,15
INTERNATIONAL ****	21	0	0	0						21	0	523	0	0	523	443
KAMIAKIN	30	1	1	1						27	7	567	12	147	726	565
KIRKLAND****	25	2	0	0						23	0	573	24	0	597	575
NORTHSTAR	0	0	0	0						0	4	0	0	84	84	90
REDMOND ****	37	1	0	1						35	6	872	12	149	1,033	1,007
RENAISSANCE	0	0	0	0						0	4	0	0	84	84	95
ROSE HILL ****	41	1	2	1						37	0	921	12	0	933	753
STELLA SCHOLA	3	0	0	0						3	0	75	0	0	75	91
Totals	280	9	8	3						260	30	6,050	108	653	6,811	6,392
		Number of Classrooms														
Senior High Schools		Self Cont.	Resource Rooms	ELL Rooms						Net Permanent Classrooms	Portable Classrooms	Net Classroom Permanent	Self Contained	Portable Capacity	Total	Oct 201
EMERSON HIGH	10	0	2	0						8	2	179	0	45	224	66
EASTLAKE	93	3	5	0						85	0	1,904	36	0	1,940	1,568
FUTURES	3	0	0	0						3	0	67	0	0	67	59
JUANITA	55	4	3	1						47	8	1,053	48	179	1,280	1,353
LAKE WASHINGTON**	59	2	1	1						55	0	1,461	24	0	1,485	1,407
REDMOND ****	73	3	0	1						69	8	1,833	36	212	2,081	1,777
TESLA STEM ****	24	0	0	0						24	0	637	0	0	637	559
Totals	317	12	11	3						291	18	7,134	144	436	7,714	6,784
TOTAL DISTRICT	1,253	36	74	25	15	16	31	15	3	1,038	138	24,385	432	3,159	27,976	26,492

Key:

Total Enrollment on this chart does not iinclude Emerson K-12, contractual, transition and WaNIC students

Self-continued rooms have a capacity of 12

Elem computer labs equal 1 in all buildings, except choice schools and those that have dedicated lab space, that can't be used as a classroom/resource area

Non-modernized secondary schools have standard capacity of 70%

****Modernized secondary schools have standard capacity of 83%

Estimated School Impact Fee Calculation
Based on King County Code 21.A.43

Single Family Residence ("SFR")

School Site Acquisition Cost:

	Facility Acreage	Cost/ Acre	Facility Size	Site Cost/ Student	Student Factor	Cost/ SFR
Elementary	10	$0	552	$0	0.4100	$0
Middle	20	$0	900	$0	0.1280	$0
Senior	40	$0	1500	$0	0.0990	$0
				TOTAL		$0

School Construction Cost:

	Percent Permanent	Construction Cost	Facility Size	Bldg. Cost/ Student	Student Factor	Cost/ SFR
Elementary	90%	$23,940,834	552	$43,371	0.4100	$16,004
Middle	90%	$47,290,267	900	$52,545	0.1280	$6,053
Senior	90%	$71,108,889	1400	$50,792	0.0990	$4,526
				TOTAL		$26,583

Temporary Facility Cost:

	Percent Temporary	Construction Cost	Facility Size	Bldg. Cost/ Student	Student Factor	Cost/ SFR
Elementary	10%	$225,000	24	$9,375	0.4100	$384
Middle	10%	$225,000	30	$7,500	0.1280	$96
Senior	10%	$225,000	32	$7,031	0.0990	$70
				TOTAL		$550

State Assistance Credit Calculation:

	Const Cost Allocation	Sq. Ft./ Student	Funding Assistance	Credit/ Student	Student Factor	Cost/ SFR
Elementary	200.40	90.0	26.54%	$4,787	0.4100	$1,963
Middle	200.40	117.0	26.54%	$6,223	0.1280	$797
Senior	200.40	130.0	26.54%	$6,914	0.0990	$685
				TOTAL		$3,444

Estimated School Impact Fee Calculation
Based on King County Code 21.A.43

Single Family Residence ("SFR")

Tax Payment Credit Calculation:

Average SFR Assessed Value	$593,906
Current Capital Levy Rate (2015)/$1000	$0.87
Annual Tax Payment	$516.88
Years Amortized	10
Current Bond Interest Rate	3.68%
Present Value of Revenue Stream	$4,260

Impact Fee Summary for Single Family Residence:

Site Acquisition Cost	$0
Permanent Facility Cost	$26,583
Temporary Facility Cost	$550
State Match Credit	($3,444)
Tax Payment Credit	($4,260)
Sub-Total	$19,429
50% Local Share	$9,715
SFR Impact Fee	**$9,715**

Estimated School Impact Fee Calculation
Based on King County Code 21.A.43

Multiple Family Residence ("MFR")

School Site Acquisition Cost:

	Facility Acreage	Cost/ Acre	Facility Size	Site Cost/ Student	Student Factor	Cost/ MFR
Elementary	10	$0	552	$0	0.0620	$0
Middle	20	$0	900	$0	0.0160	$0
Senior	40	$0	1500	$0	0.0140	$0
				TOTAL		**$0**

School Construction Cost:

	Percent Permanent	Construction Cost	Facility Size	Bldg. Cost/ Student	Student Factor	Cost/ MFR
Elementary	90%	$23,940,834	552	$43,371	0.0620	$2,420
Middle	90%	$47,290,267	900	$52,545	0.0160	$757
Senior	90%	$71,108,889	1400	$50,792	0.0140	$640
				TOTAL		**$3,817**

Temporary Facility Cost:

	Percent Temporary	Construction Cost	Facility Size	Bldg. Cost/ Student	Student Factor	Cost/ MFR
Elementary	10%	$225,000	23	$9,783	0.0620	$61
Middle	10%	$225,000	30	$7,500	0.0160	$12
Senior	10%	$225,000	32	$7,031	0.0140	$10
				TOTAL		**$82**

State Assistance Credit Calculation:

	Const Cost Allocation	Sq. Ft./ Student	Funding Assistance	Credit/ Student	Student Factor	Cost/ MFR
Elementary	200.40	90.0	26.54%	$4,787	0.0620	$297
Middle	200.40	117.0	26.54%	$6,223	0.0160	$100
Senior	200.40	130.0	26.54%	$6,914	0.0140	$97
				TOTAL		**$493**

Estimated School Impact Fee Calculation
Based on King County Code 21.A.43

Multiple Family Residence ("MFR")

Tax Payment Credit Calculation:

Average MFR Assessed Value	$247,335
Current Capital Levy Rate (2015)/$1000	$0.87
Annual Tax Payment	$215.26
Years Amortized	10
Current Bond Interest Rate	3.68%
Present Value of Revenue Stream	$1,774

Impact Fee Summary for Single Family Residence:

Site Acquisition Cost	$0
Permanent Facility Cost	$3,817
Temporary Facility Cost	$82
State Match Credit	($493)
Tax Payment Credit	($1,774)
Sub-Total	$1,632
50% Local Share	$816
MFR Impact Fee	**$816**

2015 MITIGATION DEVELOPMENT SUMMARY
STUDENT GENERATION FACTORS
Five Year History

ATTACHMENT A to ATTACHMENT 3

SINGLE FAMILY DEVELOPMENTS	CITY/ COUNTY	# PLANNED	# COMPL.	# OCCUP.	2015 STUDENTS ELEM	MIDDLE	SENIOR	TOTAL	2015 RATIO ELEM	MIDDLE	SENIOR	TOTAL
Ashford Chase	S	38	15	10	3	0	1	4	0.300	0.000	0.100	0.400
Brookside at The Woodlands	R	22	5	3	1	0	1	2	0.333	0.000	0.333	0.667
Cameron Place	R	13	13	13	8	1	1	10	0.615	0.077	0.077	0.769
Chatham Ridge	K	15	15	15	7	1	2	10	0.467	0.067	0.133	0.667
Crestwood at Forbes Creek	K	11	11	11	3	0	1	4	0.273	0.000	0.091	0.364
Evergreen Lane	R	24	24	24	4	3	1	8	0.167	0.125	0.042	0.333
Glenshire at English Hill Div I	R	28	28	28	2	1	3	6	0.071	0.036	0.107	0.214
Gramercy Park	S	28	28	22	17	6	3	26	0.773	0.273	0.136	1.182
Greenbriar Estates	S	58	58	58	50	11	7	68	0.862	0.190	0.121	1.172
Greystone Manor I	R	91	45	43	19	1	1	21	0.442	0.023	0.023	0.488
Harmon Ridge	K	12	12	12	3	0	0	3	0.250	0.000	0.000	0.250
Hazelwood	R	76	76	76	8	4	6	18	0.105	0.053	0.079	0.237
Illahee Tract M	S	16	16	16	8	2	1	11	0.500	0.125	0.063	0.688
Inglewood Place	S	21	21	21	9	3	3	15	0.429	0.143	0.143	0.714
Lakeshore Estates	R	17	17	17	3	0	2	5	0.176	0.000	0.118	0.294
Lakeview Lane	K	29	29	29	2	0	2	4	0.069	0.000	0.069	0.138
Mondavio/Verona I/Vistas I	R	80	69	59	26	15	11	52	0.441	0.254	0.186	0.881
Nettleton Commons	K	25	25	25	4	1	3	8	0.160	0.040	0.120	0.320
Northstar	R	132	132	132	62	22	23	107	0.470	0.167	0.174	0.811
Panorama Estates	K	18	16	16	2	0	0	2	0.125	0.000	0.000	0.125
Park Ridge	R	51	51	51	11	7	4	22	0.216	0.137	0.078	0.431
Perrigo Heights	R	24	24	24	17	6	2	25	0.708	0.250	0.083	1.042
Pine Meadows	S	26	26	26	12	2	5	19	0.462	0.077	0.192	0.731
Prescott at English Hill	R	70	70	70	23	9	8	40	0.329	0.129	0.114	0.571
Redmond Ridge East	KC	665	650	650	320	94	43	457	0.492	0.145	0.066	0.703
Reserve at Patterson Creek	KC	29	27	25	8	3	6	17	0.320	0.120	0.240	0.680
Sable & Aspen Ridge	R	30	30	30	7	4	1	12	0.233	0.133	0.033	0.400
Sequoia Ridge	R	14	14	14	4	1	2	7	0.286	0.071	0.143	0.500
Stirling Manor	S	16	16	16	13	6	5	24	0.813	0.375	0.313	1.500
Summer Grove I & II	K	38	38	38	2	1	2	5	0.053	0.026	0.053	0.132
Sycamore Park	R	12	10	5	1	0	0	1	0.200	0.000	0.000	0.200
The Crossings	R	18	18	18	12	8	2	22	0.667	0.444	0.111	1.222
Tyler's Creek	R	90	90	90	55	10	10	75	0.611	0.111	0.111	0.833

2015 MITIGATION DEVELOPMENT SUMMARY
STUDENT GENERATION FACTORS
Five Year History

SINGLE FAMILY DEVELOPMENTS	CITY/ COUNTY	# PLANNED	# COMPL.	# OCCUP.	2015 STUDENTS ELEM	MIDDLE	SENIOR	TOTAL	2015 RATIO ELEM	MIDDLE	SENIOR	TOTAL
Vintner's Ridge	K	51	41	34	6	1	1	8	0.176	0.029	0.029	0.235
Wexford at English Hill	R	16	16	16	5	1	6	12	0.313	0.063	0.375	0.750
Willowmere Park	R	53	20	9	2	1	0	3	0.222	0.111	0.000	0.333
Wisti Lane	K	18	12	9	2	0	0	2	0.222	0.000	0.000	0.222
Woodlands Ridge	R	25	25	25	3	2	3	8	0.120	0.080	0.120	0.320
Woodlands West	R	74	74	74	16	11	11	38	0.216	0.149	0.149	0.514
TOTALS		2,074	1,907	1,854	760	238	183	1,181	0.410	0.128	0.099	0.637

2015 MITIGATION DEVELOPMENT SUMMARY
STUDENT GENERATION FACTORS
Five Year History

MULTI-FAMILY DEVELOPMENTS	CITY/ COUNTY	# OF UNITS	% OCCUP/ # COMPL.	# OCCUP.	2015 STUDENTS ELEM	2015 STUDENTS MIDDLE	2015 STUDENTS SENIOR	2015 STUDENTS TOTAL	ELEM	MIDDLE	SENIOR	TOTAL
Delano Apartments	R	126	97%	122	4	0	0	4	0.033	0.000	0.000	0.033
Elan Apartments	R	134	95%	127	4	0	0	4	0.031	0.000	0.000	0.031
Francis Village	K	61	61	61	4	5	2	11	0.066	0.082	0.033	0.180
Graystone Condos	R	16	16	16	4	0	0	4	0.250	0.000	0.000	0.250
Kempin Meadows Condos	KC	58	38	38	6	1	1	8	0.158	0.026	0.026	0.211
Kirkland Commons	K	15	15	15	1	0	1	2	0.067	0.000	0.067	0.133
Luna Sol Apartments	K	52	92%	48	1	0	1	2	0.021	0.000	0.021	0.042
Plateau 228	S	71	71	71	15	4	6	25	0.211	0.056	0.085	0.352
Red 160 Apartments	R	250	96%	241	1	0	2	3	0.004	0.000	0.008	0.012
Redmond Ridge East Duplex	KC	135	26	26	7	1	0	8	0.269	0.038	0.000	0.308
Redmond Square Apartments	R	156	93%	145	9	1	4	14	0.062	0.007	0.028	0.097
Slater 116 Condos	K	108	108	96	0	0	1	1	0.000	0.000	0.010	0.010
The Ondine	K	102	102	93	1	0	0	1	0.011	0.000	0.000	0.011
Velocity Apartments	K	58	100%	58	13	3	1	17	0.224	0.052	0.017	0.293
Villas @ Mondavia	R	84	84	84	14	6	1	21	0.167	0.071	0.012	0.250
Waterscape	K	196	96%	188	5	2	0	7	0.027	0.011	0.000	0.037
Woodrun Townhomes	R	20	20	20	1	0	0	1	0.050	0.000	0.000	0.050
TOTALS		1,642		1,449	90	23	20	133	0.062	0.016	0.014	0.092

		Sandburg Elementary School	*Future Elementary School*
Cost		***598 student capacity ****	***552 student capacity***
	Construction Cost (bid 2011, actual const. costs)	$21,720,911	
	Projected Construction Cost in 2017 @ 3% per year	$25,935,903	
Size Comparison			
		598 (26 classrooms x 23 students per classroom = 598 students)	552 (24 classrooms x 23 students per classroom = 552 students)
Capacity Adjustment			
	2011 construction cost	$36,323 per student space (based on 2012 construction costs, $21,720,911 / 598 students)	
	2017 projected cost, adjusted for capacity difference	$43,371 per student space (based on 2017 projected costs, $25,935,903 / 598 students)	$43,371 per student space x 552 students = $23,940834 (based on 2017 projected costs)
Cost Adjustment			
	Construction Cost (bid 2011, actual const. costs)	$21,720,911	
	Projected Construction Cost in 2017 @ 552 student capacity		**$23,940,834**

		Rose Hill Middle School	*Future Middle School*
Cost		***900 student capacity***	***900 student capacity***
	Construction Cost (bid 2012)	$40,793,000	
	Projected Construction Cost in 2017 @ 3% per year	$47,290,267	
Size Comparison			
		900 (36 classrooms x 30 students per classroom = 1,080 x .83 utilization factor = 900 students)	900 (36 classrooms x 30 students per classroom = 1,080 x .83 utilization factor = 900 students)
Capacity Adjustment			
	2012 construction cost	$45,325 per student space (based on 2012 construction costs, $40,793,000 / 900 students)	
	2017 projected cost, no capacity difference	$52,545 per student space (based on 2017 projected costs, $47,290,267 / 900 students)	$52,545 per student space x 900 students = $48,708,975 (based on 2017 projected costs)
Cost Adjustment			
	Construction Cost (bid 2012)	$40,793,000	
	Projected Construction Cost in 2017 @ 900 student capacity		**$47,290,267**

		Lake Washington High School	*Future High School*
Cost		***1,567 student capacity***	***1,400 student capacity***
	Construction Cost 2009	$61,000,000	
	Projected Construction Cost in 2018 @ 3% per year	$79,591,164	
Size Comparison			
		1,567 (59 classrooms x 32 students per classroom = 1,888 x .83 utilization factor = 1,567 students)	1,400 (53 classrooms x 32 students per classroom = 1,696 x .83 utilization factor = 1,400 students)
Capacity Adjustment			
	2009 construction cost	$38,928 per student space (based on 2009 construction costs, $61,000,000 / 1,567 students)	
	2018 projected cost, adjusted for capacity difference	$50,792 per student space (based on 2018 projected costs, $79,591,164 / 1,567 students)	$50,792 per student space x 1,400 students = $71,108,889 (based on 2018 projected costs)
Cost Adjustment			
	Construction Cost 2009	$61,000,000	
	Projected Construction Cost in 2018 @ 1,400 student capacity		**$71,108,889**

X. TABLES

Six-Year Enrollment Projections

	2014*	2015	2016	2017	2018	2019	2020
County Live Births**	25,057	24,514	24,630	25,032	24,910	24,910	25,093
change		(543)	116	402	(122)	0	183
Kindergarten * **	2,007	1,985	2,005	2,052	2,058	2,060	2,079
Grade 1 ** **	2,291	2,231	2,210	2,228	2,272	2,268	2,267
Grade 2	2,284	2,455	2,391	2,367	2,376	2,415	2,411
Grade 3	2,270	2,317	2,499	2,424	2,391	2,395	2,434
Grade 4	2,258	2,294	2,340	2,530	2,439	2,402	2,406
Grade 5	2,256	2,287	2,329	2,372	2,566	2,462	2,425
Grade 6	2,123	2,239	2,265	2,320	2,376	2,545	2,449
Grade 7	2,023	2,094	2,216	2,233	2,290	2,343	2,498
Grade 8	2,053	2,007	2,082	2,205	2,213	2,270	2,319
Grade 9	1,933	2,045	1,976	2,073	2,187	2,186	2,238
Grade 10	1,853	1,922	2,036	1,968	2,060	2,171	2,171
Grade 11	1,727	1,911	1,984	2,096	2,026	2,114	2,225
Grade 12	1,634	1,752	1,937	2,008	2,116	2,045	2,133
Total Enrollment	26,712	27,539	28,270	28,876	29,370	29,676	30,055
Yearly Increase		827	731	606	494	306	379
Yearly Increase		3.10%	2.65%	2.14%	1.71%	1.04%	1.28%
Cumulative Increase		**827**	**1,558**	**2,164**	**2,658**	**2,964**	**3,343**

* Number of Individual Students (10/1/14 Headcount).

** County Live Births estimated based on OFM projections. 2018 and prior year birth rates are actual births 5 years prior to enrollment year.

*** Kindergarten enrollment is calculated at 7.99% of County Live Births plus anticipated developments.

**** First Grade enrollment is based on District's past history of first grade enrollment to prior year kindergarten enrollment.

Enrollment History *

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
County Live Births **	22,487	21,778	21,863	22,431	22,874	22,680	24,244	24,899	25,222	25,057
Kindergarten / Live Birth	7.71%	8.21%	7.76%	7.95%	8.15%	8.25%	7.87%	7.86%	8.08%	8.01%
									Period Average	**7.99%**
Kindergarten	1,734	1,789	1,696	1,783	1,865	1,872	1,908	1,957	2,037	2,007
Grade 1	1,846	1,916	1,959	1,903	2,047	2,146	2,121	2,150	2,218	2,291
Grade 2	1,881	1,860	1,901	2,020	1,936	2,108	2,203	2,174	2,228	2,284
Grade 3	1,792	1,870	1,853	1,934	2,036	1,968	2,116	2,207	2,236	2,270
Grade 4	1,868	1,776	1,857	1,901	1,937	2,056	1,986	2,125	2,231	2,258
Grade 5	1,775	1,810	1,753	1,854	1,897	1,936	2,051	2,003	2,137	2,256
Grade 6	1,872	1,726	1,825	1,738	1,838	1,898	1,920	2,002	1,979	2,123
Grade 7	1,828	1,818	1,692	1,805	1,726	1,829	1,857	1,929	2,047	2,023
Grade 8	1,807	1,806	1,811	1,673	1,819	1,734	1,831	1,860	1,924	2,053
Grade 9	1,860	1,765	1,755	1,782	1,660	1,756	1,687	1,802	1,868	1,933
Grade 10	1,887	1,824	1,763	1,739	1,780	1,672	1,740	1,714	1,795	1,853
Grade 11	1,853	1,856	1,811	1,728	1,742	1,798	1,671	1,730	1,649	1,727
Grade 12	1,799	1,881	1,890	1,909	1,802	1,816	1,824	1,742	1,699	1,634
Total Enrollment	23,802	23,697	23,566	23,769	24,085	24,589	24,915	25,395	26,048	26,712
Yearly Change		(105)	(131)	203	316	504	326	480	653	664

* October 1st Headcount
** Number indicates actual births 5 years prior to enrollment year.

Average increase in the number of students per year	**323**
Total increase for period	**2,910**
Percentage increase for period	**12%**
Average yearly increase	**1.36%**

2014-15 Inventory and Capacities of Existing Schools

*		Address	Total Capacity**	Net Avail Capacity**
	Juanita Area			
25	Frost Elementary	11801 NE 140th	552	403
03	Juanita Elementary	9635 NE 132nd	529	322
04	Keller Elementary	13820 108th NE	483	346
26	Muir Elementary	14012 132nd NE	529	368
06	Discovery Community	12801 84th NE	69	69
06	Sandburg Elementary	12801 84th NE	575	437
02	Thoreau Elementary	8224 NE 138th	506	391
63	Finn Hill Middle School	8040 NE 132nd	697	672
60	Environmental & Adventure	8040 NE 132nd	125	125
67	Kamiakin Middle School	14111 132nd NE	777	726
82	Futures School	10601 NE 132nd	67	67
82	Juanita High School	10601 NE 132nd	1,411	1,280
	Kirkland Area			
07	Bell Elementary	11212 NE 112th	621	414
96	Community School	11133 NE 65th	69	69
16	Franklin Elementary	12434 NE 60th	575	437
09	Kirk Elementary	1312 6th Street	575	483
10	Lakeview Elementary	10400 NE 68th	598	461
15	Rose Hill Elementary	8044 128th NE	598	461
18	Rush Elementary	6101 152nd NE	644	506
14	Twain Elementary	9525 130th NE	690	541
96	International Community Scho	11133 NE 65th	523	523
65	Kirkland Middle School	430 18th Avenue	623	597
80	Northstar Middle School	12033 NE 80th	84	84
69	Rose Hill Middle School	13505 NE 75th	1,021	933
61	Stella Schola Middle School	13505 NE 75th	75	75
80	Emerson High	10903 NE 53rd St	269	224
84	Lake Washington High	12033 NE 80th	1,567	1,485
	Redmond Area			
53	Alcott Elementary	4213 228th NE	782	644
19	Audubon Elementary	3045 180th NE	552	414
46	Dickinson Elementary	7040 208th NE	621	473
24	Einstein Elementary	18025 NE 116th	575	437
46	Explorer Community School	7040 208th NE	92	92
22	Mann Elementary	17001 NE 104th	598	483
23	Redmond Elementary	16800 NE 80th	644	484
21	Rockwell Elementary	11125 162nd NE	690	598
41	Rosa Parks Elementary	22845 NE Cedar Park Creser	851	713
32	Wilder Elementary	22130 NE 133rd	713	621
74	Evergreen Middle School	6900 208th NE	924	864
71	Redmond Middle School	10055 166th NE	1,070	1,033
73	Tesla STEM High School	400 228th Ave NE	637	637
85	Redmond High School	17272 NE 104th	2,151	2,081
	Sammamish Area			
54	Blackwell Elementary	3225 205th PL NE	621	437
52	Carson Elementary	1035 244th Ave NE	621	529
57	McAuliffe Elementary	23823 NE 22nd	690	622
58	Mead Elementary	1725 216th NE	713	575
56	Smith Elementary	23305 NE 14th	782	621
77	Inglewood Middle School	24120 NE 8th	1,155	1,095
86	Renaissance	400 228th NE	84	84
86	Eastlake High School	400 228TH NE	2,083	1,940

* Note: See Table 4a for District Map. Locations indicated by numbers stated in this column.

** Note: "Total Capacity" = Total permanent/portable capacity as constructed
(Total Capacity does not account for space used by special programs)

"Net Available Capacity" = Total Capacity minus uses for special programs
(Net Available Capacity accounts for space used by special programs)

Inventory of Undeveloped Land

*Site # **	*Area*	*Address*	*Jurisdiction*	*Status*
	Juanita Area			
	None			
	Kirkland Area			
27	Elementary	10638 – 134th Ave. NE	Redmond	In reserve ***
	Redmond Area			
28	Elementary School	172nd NE & NE 122nd	King County	In reserve
31	Elementary School	Redmond Ridge East	King County	In reserve
33	No School Use Allowed	194th NE above NE 116th	King County	*****
59	Elementary School	Main & 228th NE	Sammamish	In reserve ***
75	Undetermined	22000 Novelty Hill Road	King County	In reserve ***
72	Middle School	Redmond Ridge Corporate Center	King County	In reserve
90	No School Use Allowed	NE 95th & 195th NE	King County	*****
91	Undetermined	NE 95th Street & 173rd Place NE	King County	In reserve ***
99	Bus Satellite	22821 Redmond-Fall City Road	King County	In reserve ***

Footnotes

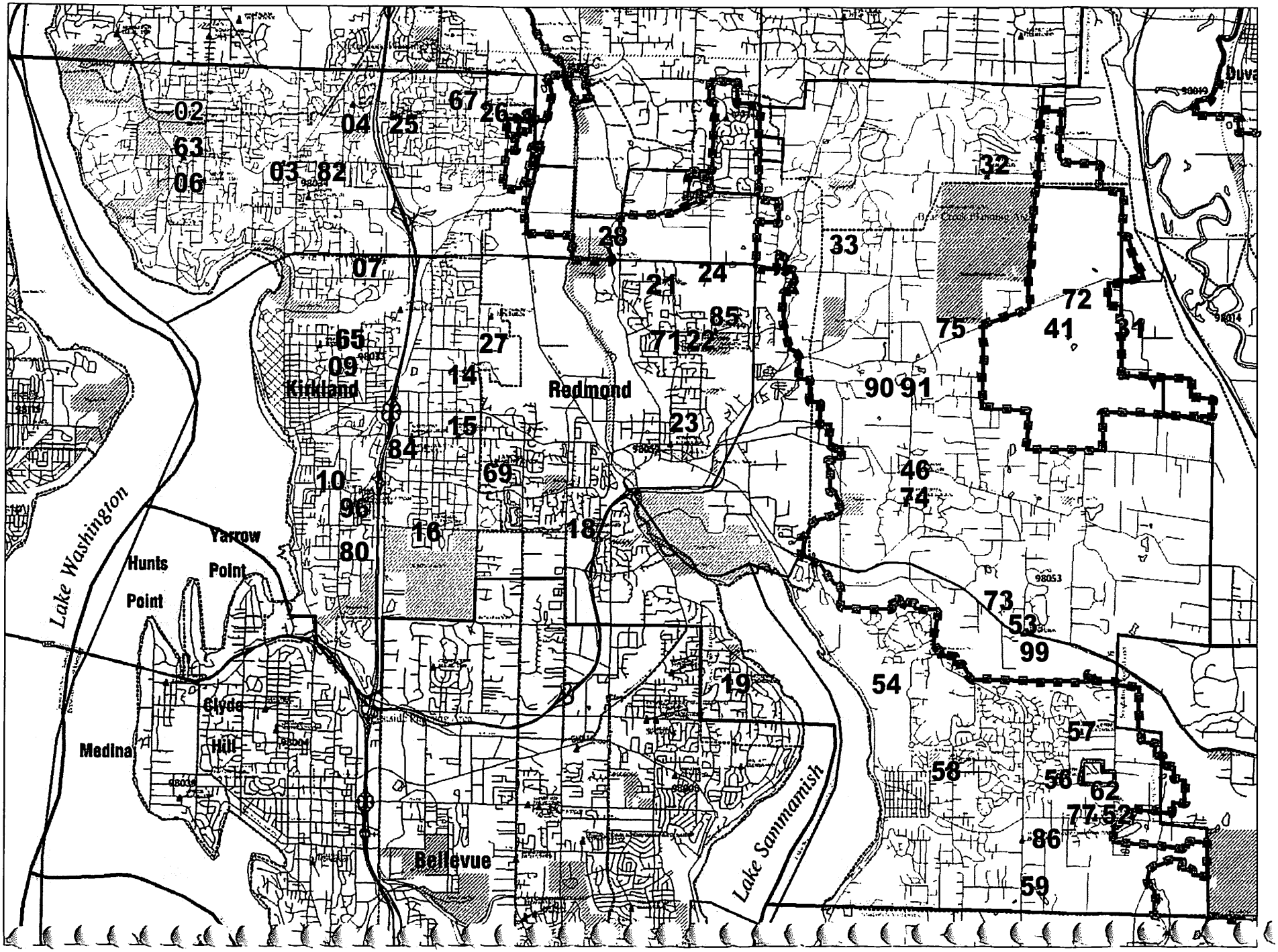
"*" = See Table 4a for a District map. Locations indicated by numbers stated in this column.

"***" = "In reserve" refers to sites owned by the District. While the District does not anticipate construction school facilities on these sites within these six years, they are being held for the District's long term needs.

"*****" = Property unable to be used for a school site due to the King County School Siting Task Force recommendations as adopted by the King County Council.

The King County Rural Area Task Force concluded:

1. "Lake Washington 2" (Site 75): 37.85 acre site located on the north side of Novelty Hill Road & adjacent to south boundary of Redmond Ridge. The District must work with King County to find an alternative site within the UGA. If an alternative site cannot be feasibly located, the District can use the site for a "small [5 acre] environmental school while placing the remainder of the use into permanent conservation."
2. "Lake Washington 4": Existing undeveloped acreage at Dickinson/Evergreen site - this acreage be used for school development and can connect to sewer.
3. "Lake Washington 1 (Site 33)": 19.97 acres located 1/4 mile east of Avondale Road - *no school use allowed*; potential conservation value.
4. "Lake Washington 3" (Site 90): 26.86 acres located 1/4 mile south of Novelty Hill Road and 1/2 mile east of Redmond City Limits - *no school use allowed.*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Projected Capacity to House Students

	2014	2015	2016	2017	2018	2019	2020
Permanent Capacity	24,817						
New Construction*:							
Redmond Ridge East Elementary #31					550		
New Elementary #28 (Pope Property)					550		
New Elementary (Kirkland Area)					550		
New Middle School #72						900	
Lake Washington High School Addition					500		
New STEM High School							600
Expansion							
Redmond Elementary Addition			138				
Juanita High School #82							110
Permanent Capacity Subtotal	24,817	24,817	24,955	24,955	27,105	28,005	28,715
Total Enrollment	26,712	27,539	28,270	28,876	29,370	29,676	30,055
Permanent Surplus/(Deficit) <u>without</u> Projects	(1,895)	(2,722)	(3,453)	(4,059)	(4,553)	(4,859)	(5,238)
Permanent Surplus / (Deficit) <u>with</u> Projects	(1,895)	(2,722)	(3,315)	(3,921)	(2,265)	(1,671)	(1,340)

*New schools and additional permanent capacity through modernization/replacement.

***Note: All projects listed on Table 6 are potential projects dependent on voter approval

These projects are anticipated to be under construction, but not completed within the six year window of this plan

Six-Year Finance Plan

* = In Progress		2015	2016	2017	2018	2019	2020	2021	Total	Est Secured State	Unsecured Local *
Site 31	New - Redmond Ridge East El		4,600,000	12,500,000	18,500,000	2,700,000			38,300,000		38,300,000
Site 28	New - North Redmond El		3,600,000	12,600,000	18,200,000	2,700,000			37,100,000		37,100,000
Site XX	New - Kirkland Area El		3,600,000	12,600,000	18,200,000	2,700,000			37,100,000		37,100,000
Site 84	Addition - Lake Washington High School		6,300,000	22,050,000	3,150,000				31,500,000		31,500,000
Site 72	New - Redmond Area Middle School		5,200,000	7,200,000	28,700,000	26,800,000	4,100,000		72,000,000		72,000,000
Site 82	Mod - Juanita High School		7,200,000	16,450,000	51,500,000	44,950,000	26,000,000	10,400,000	156,500,000		156,500,000
Site XX	New - Westside STEM School		1,050,000	6,000,000	12,150,000	18,250,000	3,050,000		40,500,000		40,500,000
	Portables*	1,900,000	2,100,000	2,200,000					6,200,000		6,200,000
	Totals	$1,900,000	$33,650,000	$91,600,000	$150,400,000	$98,100,000	$33,150,000	$10,400,000	$419,200,000	$0	$419,200,000

* These are expected to be secured through Impact and Mitigation Fees. (Calculation of estimated impact fees are shown in Appendix B & C.)

** Monies for the major projects above have not been secured but these projects are shown because of the need

*** Projects included above and in the plan represent the most comprehensive approach.

CITY OF KIRKLAND
Department of Public Works
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ATTACHMENT 4

MEMORANDUM

To: Tracey Dunlap, Deputy City Manager

From: Rob Jammerman, Development Engineering Manager
Kathy Brown, Public Works Director

Date: September 2, 2015

Subject: Upcoming Changes to the Deferred Impact Fee Program

RECOMMENDATION:

It is recommended that the City Council reviews the background information related to new Washington State legislation that requires an amendment to our existing Impact Fee Deferment Program. After reviewing the information, Council should provide direction to staff regarding the recommended amendment choices.

BACKGROUND DISCUSSION:

The City started an impact fee deferment program for new single-family residential Building Permits in 2010. The program was modeled after a similar program adopted by the City of Sammamish. Kirkland voluntarily implemented our deferment program in response to the economic recession that was on-going at the time. Our current deferment program includes the following:

1. Only available for new single-family residential Building Permits.

2. A covenant is recorded against the title of the subject property that requires the deferred impact fees to be paid from escrow prior to closing of sale of the subject property.

3. Traffic, Park and School Impact Fees are deferred.

4. Applicants pay a $240 administration fee for each lien filed.

5. Use of the deferment program is low, with an average of 15 deferments having been filed each year since the program started (an average of 188 new single-family Building Permits were issued each year during this same time period).

On May 11, 2015, the Governor signed Senate Bill 5923, which adopted amended language to RCW 82.02.050 requiring all cities, towns, and counties (Agencies) to have an impact fee deferment program for single-family detached and attached residential construction. This amendment to RCW 82.02.050 requires the City to do the following:

1. Expand our existing program to include attached residential Building Permits (multi-family projects).

2. Choose when the deferred impact fee must be paid. The new legislation allows Agencies to choose if the deferred impact fee must be paid at:

   A. Final inspection (single-family residential) or final occupancy (multi-family residential) of the Building Permit; or,

   B. Closing of the sale of the property (as we do now with our existing program).

3. All Agencies must have an impact fee deferment program in place by September 1, 2016.

4. The new legislation also requires all impact fees to be paid within 18 months of Building Permit issuance.

Because Kirkland already has an impact fee deferment program for detached residential Building Permits, City Council only needs to give direction to staff related to the following:

1. *Should new multifamily Building Permits be required to pay their deferred impact prior to issuance of the final occupancy of the Building Permit or prior to sale of the property?*

Staff recommends that multifamily Building Permits be required to pay the deferred impact fee prior issuance of the final occupancy for the Building Permit for the following reasons:

A. The law requires impact fees to be paid within 18 months of Building Permit issuance (see #4 above in previous section). Since most multi-family projects average 1-2 years to complete, it is most practical to require the payment prior to final occupancy, or at 18 months after the Building Permit was issued, whichever occurs first.

B. Payment of outstanding fees and completing outstanding paperwork prior to final occupancy aligns with multi-family construction industry standards.

2. ***Should new single-family Building Permits be allowed to continue to defer impact fees until final closing (as our current program allows), or should these permits also be required to pay the fee prior to final inspection of the Building Permit?***

   Staff recommends that the impact fee deferment program for single-family Building Permits be aligned with multi-family deferment program and the deferred impact fees be paid prior to final inspection of the Building Permit. Although this is a change to the current process, it will keep administration of the deferment program consistent between the two types of permits and the change will have minimal bearing given the small number of permit applicants that have used the current program (avg. 15/year).

Based on input and direction from Council, staff will return with KMC code amendments when the new impact fees are adopted.