

Impact Fees, Concurrency, and CIP

Transportation Commission

May 23, 2018





Impact Fees, Concurrency, CIP

- **Inter-related programs that:**
 - Balance growth with transportation capacity
 - Implement multimodal policies of the TMP



Impact Fees

- **A tool provided under GMA:**
 - Allows jurisdictions to have new growth pay for a proportionate share of the cost of facilities needed to serve new growth
 - Jurisdictions that impose impact fees must provide for a balance between impact fees and other funds for capacity projects



Trips

- Person trips (pedestrian, bike, transit, cars) vs. single-mode vehicle trips
 - Multi-modal policy adopted in TMP
- Based on 2035 land use
- About 15,000 new person trips needed to support growth over 20 years



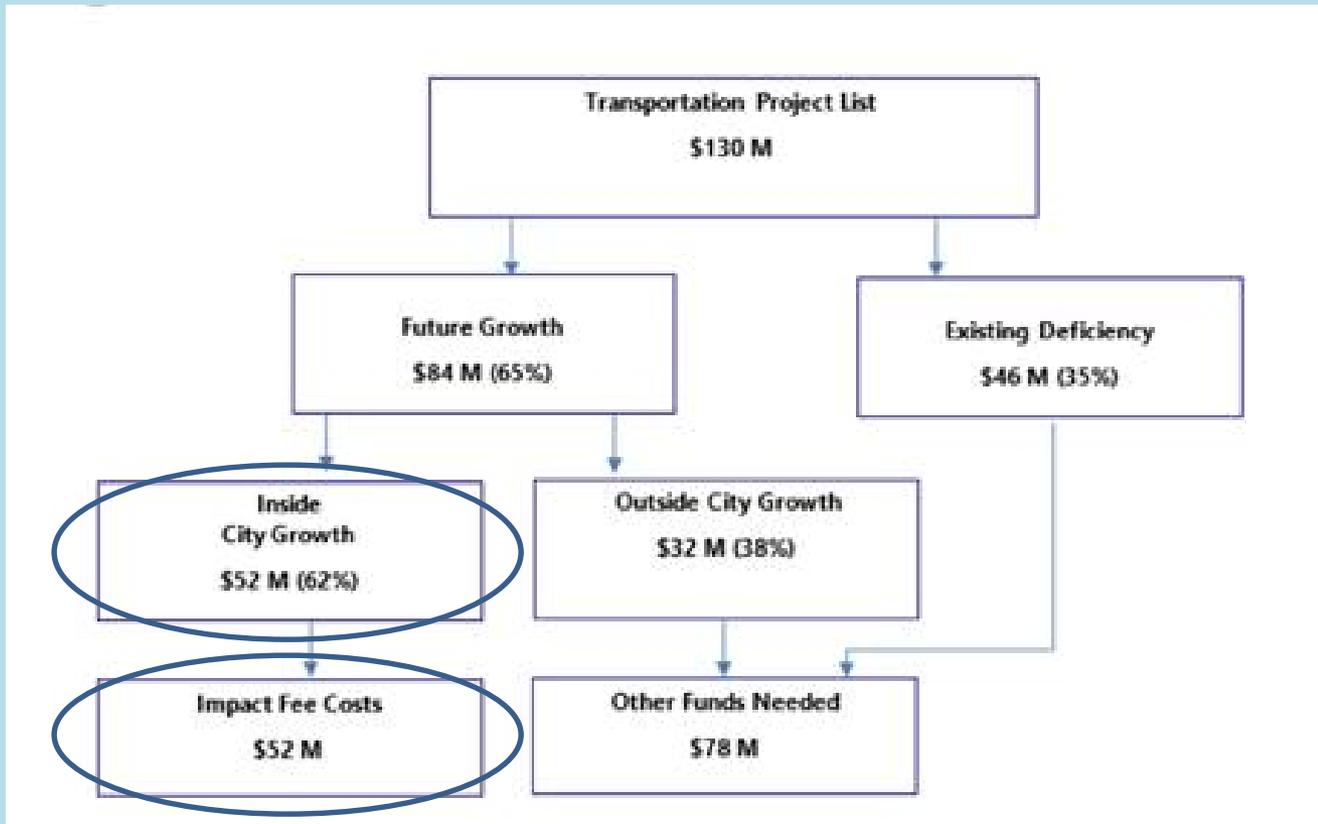
Capacity Projects

Element	Cost in \$ millions	
	Adopted	2018 Estimate
Motor Vehicles (traffic capacity; efficiency-ITS)	69	92.1
Transit (speed & reliability; passenger environment)	1	1
Walk (sidewalks; CKC)	36	47.5
Bike (bike lanes; greenways)	24	24.4
Total Impact Fee Project List	130	165

Due to existing deficiencies and growth impacts outside Kirkland, about 40% of these costs (\$52 m) can be attributable to impact fees.



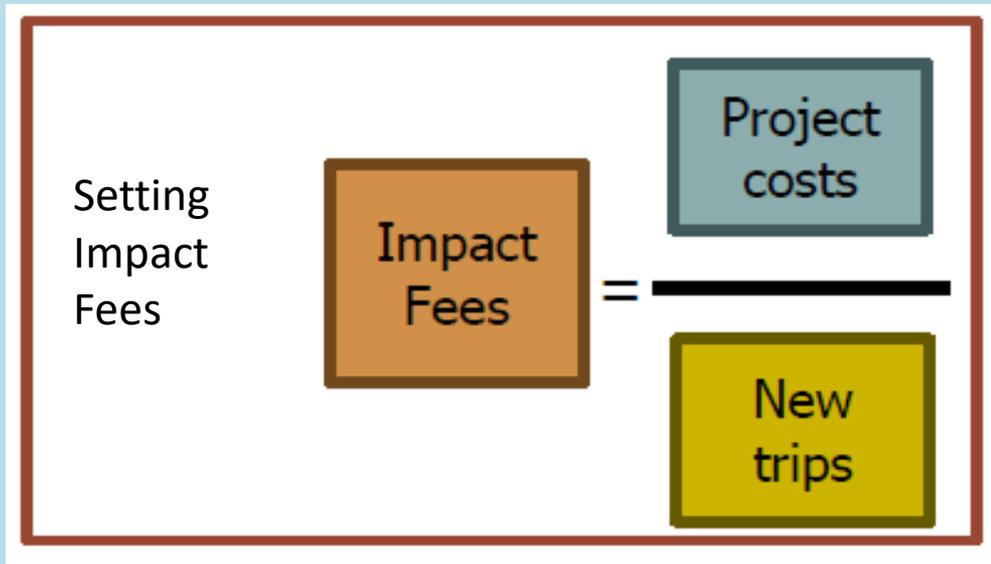
Kirkland's Impact Fees Capacity Project Costs Related to Kirkland Growth





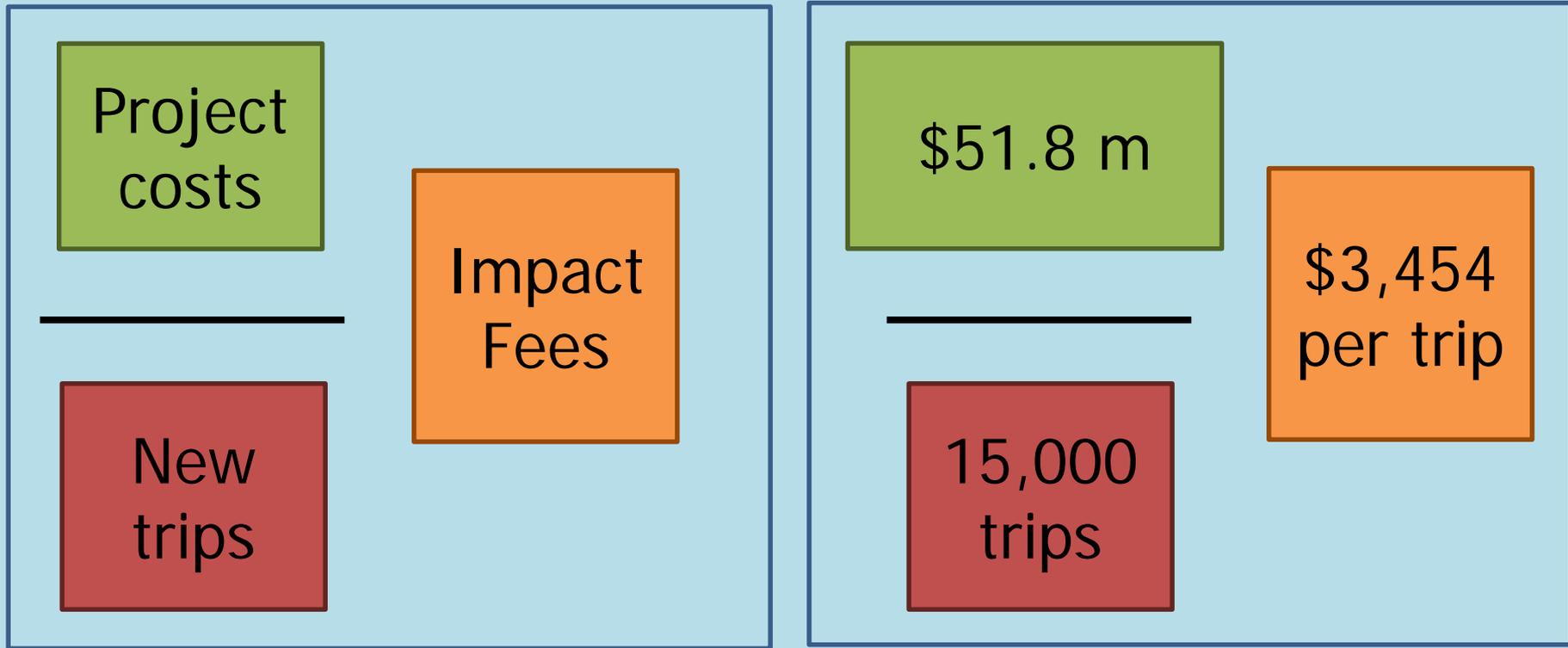
Kirkland's Impact Fees

Impact Fees were established by dividing **estimated project costs** by **projected new trips**





Rate





Rate schedule

Translating trip rate to land use equivalents

Examples from 2015 Fehr and Peers Impact Fee Study

Land Use	Unit	*Original
		Fee/unit
Detached Housing	Dwelling	\$5,009
Attached Housing	Dwelling	\$2,855
Shopping Center	Sq. ft.	\$4.94

*Current impact fees have been inflated



2016 Comparison (when fees were adopted)

City	Cost per single family house
Sammamish	\$14,204
Issaquah	\$7,904
Newcastle	\$6,475
Bothell	\$5,481
Redmond	\$5,159
Kirkland	\$4,846
Bellevue	\$4,419
Kirkland	\$3,942
Renton	\$2,857



Policy Considerations

- Extraordinary project cost escalation
- New capacity projects added to CFP (e.g., 6th Street Corridor Projects)
- Lag between concurrency certificate
- “Front-loaded” growth rates



Capacity Projects

Element	Cost in \$ millions	
	Adopted	2018 Estimate
Motor Vehicles (traffic capacity; efficiency-ITS)	69	92.1
Transit (speed & reliability; passenger environment)	1	1
Walk (sidewalks; CKC)	36	47.5
Bike (bike lanes; greenways)	24	24.4
Total Impact Fee Project List	130	165

Due to existing deficiencies and growth impacts outside Kirkland, about 40% of these costs (\$52 m) can be attributable to impact fees.



City of Kirkland Transportation Master Plan



Forecast vs. Actual Growth

Concurrency Permits Issued vs Assumed 20 Year Horizon





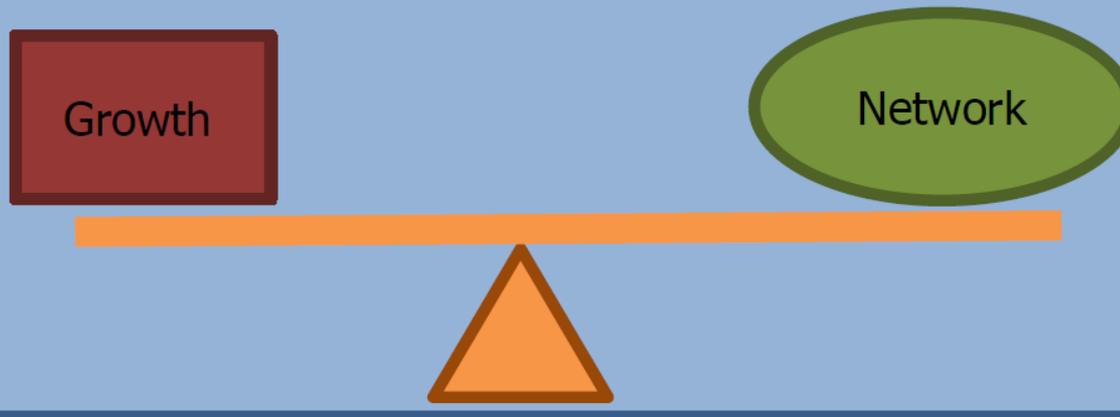
Analysis of Impact Fees Underway

- Extraordinary project cost escalation
- “Front-loaded” growth rates
- New capacity projects added to CFP (e.g., 6th Street Corridor Projects)
- Regional Project Capacity
- Experience of Other Jurisdictions



Concurrency

Concurrency measures the balance between new growth and construction of the transportation networks





Concurrency

- **Basic Rules:**

- Each jurisdiction establishes a Level of Service (LOS)
- Capacity projects are built at the same (or greater) rate as growth to maintain (or improve) LOS
- Concurrency is balanced within each 6-year CIP
- **Concurrency ledger provides policy-makers with a tool to monitor status and make informed decisions**



City of Kirkland

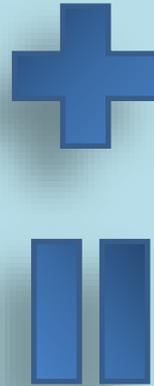
Transportation Master Plan



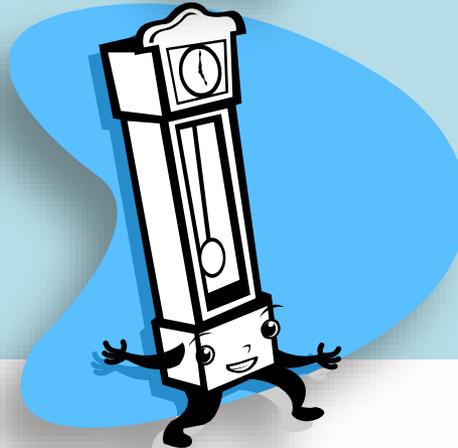
Previous Concurrency system



Given land use



Road projects that we can afford and accept



Performance at intersections plus 1.4 maximum
Designed to pass



City of Kirkland

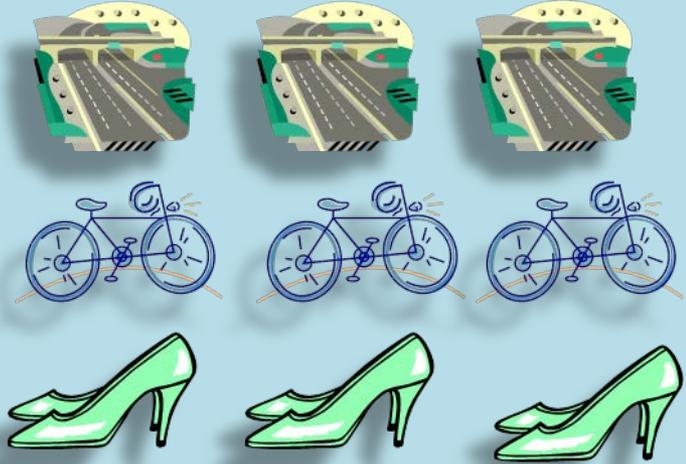
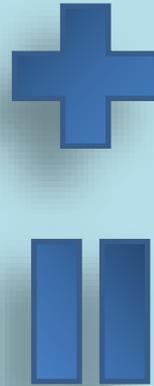
Transportation Master Plan



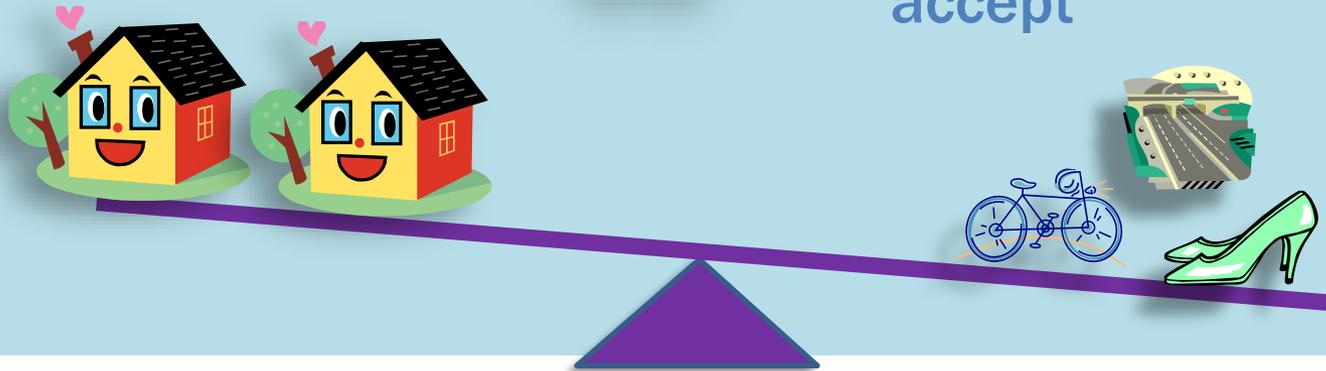
Current system



Given land use



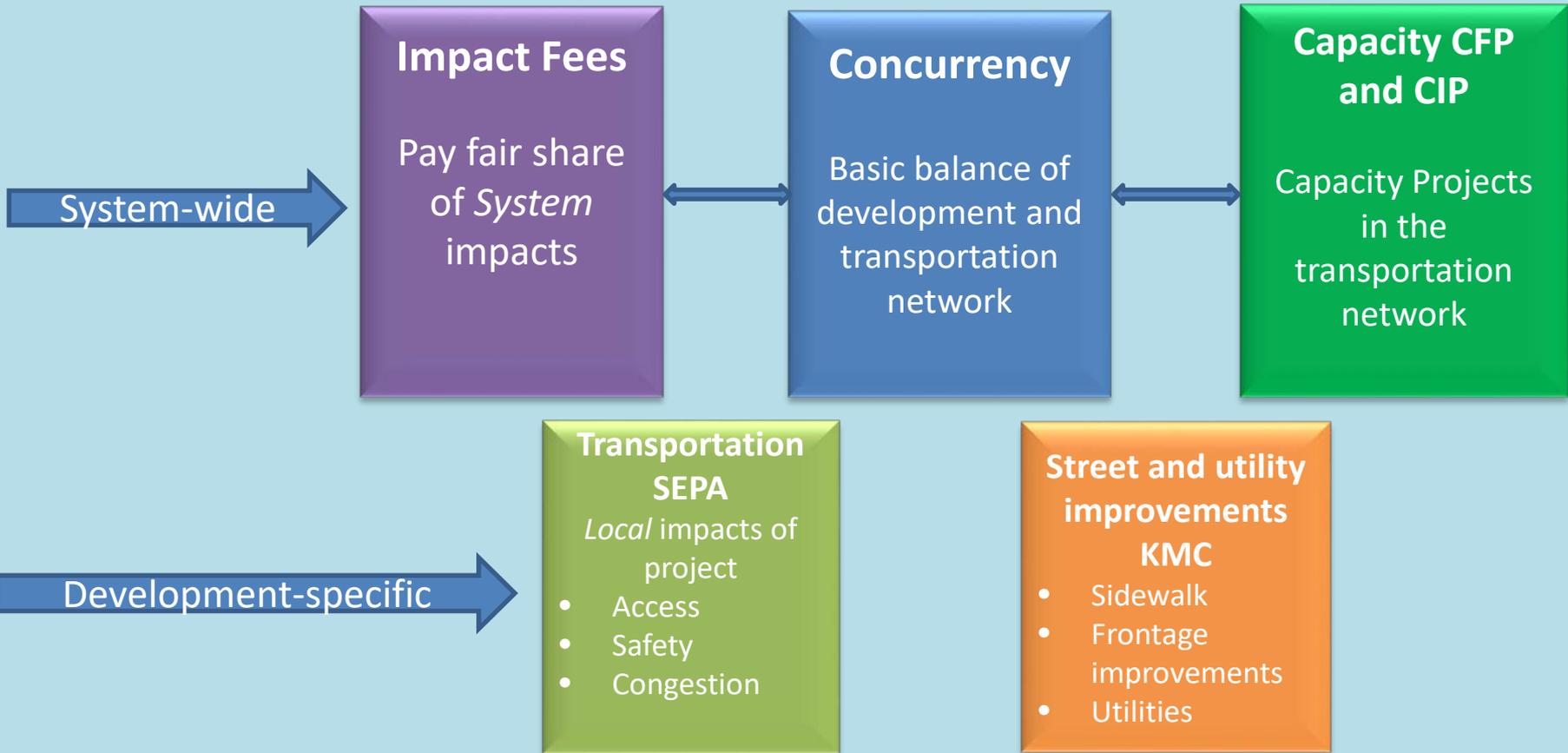
Multimodal projects that we can afford and accept



Land use and transportation projects in balance



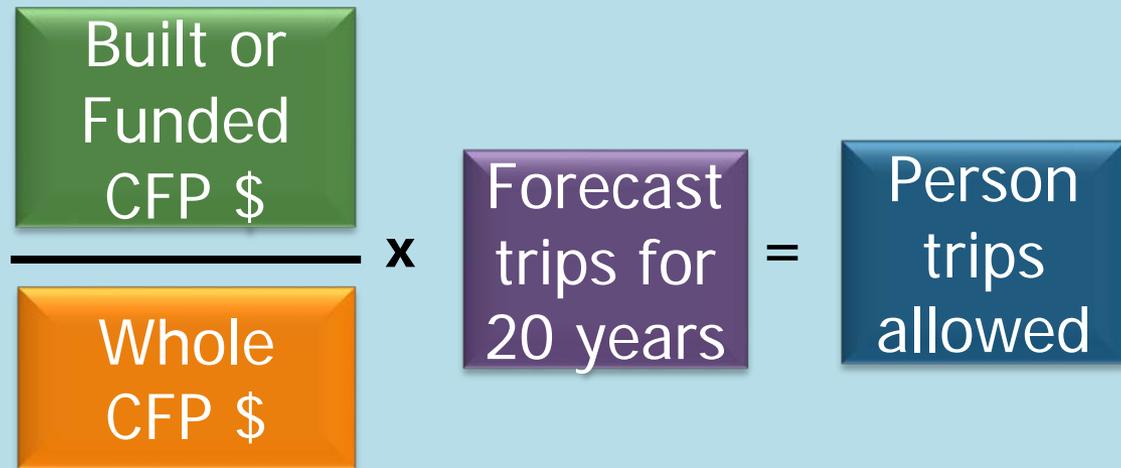
Where does concurrency fit?





Capacity is created

In the form of trips, by completing *capacity projects* that are in the transportation capital facilities plan.





Kirkland's LOS

- **Is defined by 20-year multimodal capacity projects in CFP:**
 - Informed by Kirkland 2035 community engagement
 - Aligns with multi-modal policies in TMP
 - Achieves GMA goals more effectively than single mode approach
 - Is within a reasonable 20-year funding forecast



Capacity is used up

In the form of trips, by approving development.

Land Use	Unit	Person trips/unit
Detached Housing	Dwelling	1.45
Restaurant	1000 sq. ft.	9.14
General office	1000 sq. ft.	1.76
Shopping center	1000 sq. ft.	4.53



Concurrency Ledger

Concurrency ledger provides policy-makers with a tool to monitor status and make informed decisions

Date	Trips Available
1/1/16	7,419
1/1/17	5,506
1/1/18	3,068
3/7/18	2,243



What if there are no trips left?

- **Options within existing policies:**
 - Developer builds from CFP
 - City builds from CFP
 - Scale back development





What if there are no trips left?

- **Policy Change Options:**
 - Modify LOS (Capacity Project List)
 - **Potentially** add capacity from regional projects to concurrency ledger
 - This concept is under consultant and legal review
 - Increase 6-year CIP Funding
 - With or without an overall addition of projects to 20-year CFP
 - Restrict or reduce development



Analysis of Concurrency Underway

- Extraordinary project cost escalation
- “Front-loaded” growth rates
- New capacity projects added to CFP (e.g., 6th Street Corridor Projects)
- Regional Project Capacity
- Experience of Other Jurisdictions



Capital Improvement Program

Concurrency measures the balance between new growth and construction of the transportation networks

Growth

Network

Capacity Projects in CIP add to Network



Capital Improvement Program Considerations

- **Preliminary draft 6-year CIP struggles to keep pace with bow-wave of development**
 - The rate of development means more trips needed sooner
 - Lag in impact fee revenues
 - Heavy reliance on grant funding
 - Project cost escalation and extraordinary construction market conditions
 - Recent emphasis on design of capacity projects
 - Without secured construction funding



Key Capacity Projects

Project	Cost in \$ millions	
	Trips	2018 Estimate
Juanita Drive	659	6.6
100 th Ave NE Roadway (or segments)	1,047	24.8
Totem Lake Connector	1,285	17.2
124 th Ave NE	675	6.8
NE 132 nd St & 108 th Ave NE	62	1.2
Total	3,728	56.6

Staff will return with options for Council to consider



Impact Fees, Concurrency, CIP

- **Inter-related programs that:**
 - Balance growth with transportation capacity
 - Implement multimodal policies of the TMP
 - Provide policy-makers with tools to align growth with transportation network capacity
- **Staff is evaluating all three programs to address:**
 - extraordinary near-term growth, cost escalation, and regional projects



City of Kirkland

Transportation Master Plan



Questions?

Guidance to staff as we move
forward?