

**CITY COUNCIL AGENDA MEMORANDUM****SUBJECT:**

Transportation Impact Fee Program Update (Two Actions):

1. Ordinance No. 5871 amending the Bellevue City Code to update the City's transportation impact fee program; amending Sections 22.16.010, 22.16.020, 22.16.040, 22.16.050, 22.16.070, 22.16.080, 22.16.090, and 22.16.095 of the Bellevue City Code; creating new Sections 22.16.085 and 22.16.087 in the Bellevue City Code; and deleting Section 22.16.110 of the Bellevue City Code; and
2. Ordinance No. 5872 adopting the impact fee rate schedule, as authorized by Bellevue City Code Section 22.16.085.

**FISCAL IMPACT:**

Any changes made to the City's Transportation Impact Fee Program and fee schedule will affect revenue collections from new development, which is used for the implementation of new capital projects that reasonably benefit that new development. Impact fee revenue generation is tied directly to the size and amount of growth, its timing and land use type.

The amount and timing of new development is influenced by national and regional economic forces. Staff has examined three economic growth scenarios and three impact fee implementation scenarios (Attachment 1). Staff have concluded that the Prolonged Recovery Scenario is the most likely of the three scenarios, given the impacts of the recession on the local economy. Based on this growth scenario, Council directed the option to phase in the impact fee increase over 6 years starting in 2010 (\$2,000 for 3 years, \$3,000 for 3 years, and \$5,000 beginning in 2016). Additionally, beginning in 2017 impact fees will be adjusted annually for the Washington State Department of Transportation Construction Cost Index. The 10-year (2010-2019) impact fee revenue projection is approximately \$45.7 million.

**STAFF CONTACTS:**

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**POLICY CONSIDERATION:**

Policy CF-1 of the Capital Facilities Element and policies TR-27, TR-33, TR-37, TR-103, and TR-106 of the Transportation Element of the Comprehensive Plan provide a framework for the City's compliance with the requirements of the Growth Management Act and the Traffic Standards Code. Bellevue City Code (BCC) Chapter 22.16 is the City's impact fee ordinance, and designates the

Transportation Facilities Plan (TFP) as the long-term transportation plan (called the capital facilities plan in the statues authorizing local jurisdictions to impose impact fees) for identifying improvements to meet future development needs. The list of projects to which impact fees are applied is derived from the TFP and represents the roadway and intersection (vehicular) capacity projects that are necessary to serve growth-related traffic impacts. The City Council most recently adopted the TFP, which included an updated impact fee project list, on April 20, 2009.

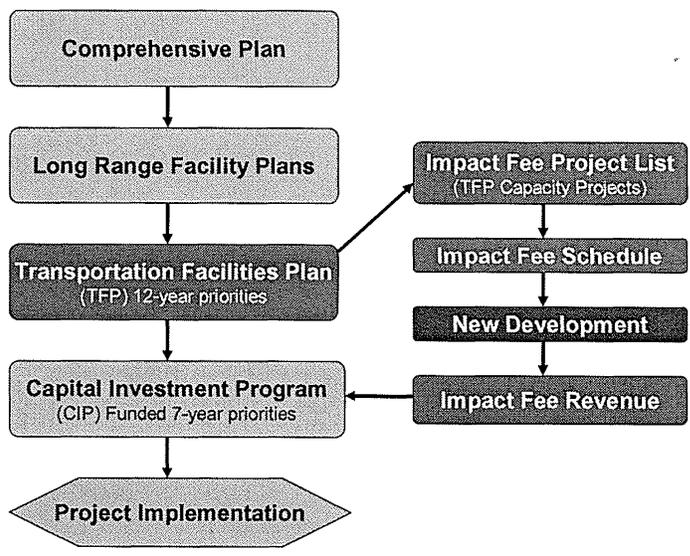
A map of the impact fee projects from the adopted TFP is included in Attachment 2 with the Additional Impact Fee Program Background/Update Information. The list of impact fee projects included within the City of Bellevue Transportation Impact Fee Program Report is provided in Attachment 3 under separate cover.

Impact fees are an integral element of the Mobility and Infrastructure Initiative’s Finance Plan discussed by Council throughout 2008 and endorsed with Resolution No. 7874 at the January 20, 2009 Council meeting.

There are many policy issues associated with the update of the City’s impact fee program. Three of the more significant issues include a shift from the City’s current practice of using 14 impact fee districts to a single, citywide district, changing from an ‘average cost’ project cost allocation methodology to a ‘marginal cost’ method in determining the true growth cost of development, and the application of an impact fee cost indexing factor between formal updates of the TFP. The attachment titled Additional Impact Fee Program Background/Update Information (Attachment 2) includes a matrix of the key impact fee program issues and update recommendations.

**BACKGROUND:**

The diagram below depicts the relationship between the Comprehensive Plan, long-range facility plans, the TFP, impact fee project list, impact fee schedule and the Capital Investment Program (CIP).



**Transportation Facilities Plan**

The Transportation Facilities Plan is a 12-year transportation program and represents a listing of planned improvements balanced to projected revenues. This program is one phase in the City’s multi-phased approach to planning for future transportation improvements – represented by the

left-hand boxes in the diagram above.

April 20, 2009, Council adopted Resolution No. 7914 approving an amended 2009-2020 TFP. The approved TFP project list specifies which TFP projects are also impact fee projects. A copy of the approved 2009-2020 TFP is available in the Council Office.

### **Transportation Impact Fee Program**

The Bellevue City Code (Chapters 22.16.050 and 22.16.080) currently requires that every two years, after adoption of an updated TFP, updates to the impact fee project list and impact fee schedule be forwarded to the Council for approval and adoption. The impact fee update should be considered in the larger context of Council discussions and actions on the Mobility and Infrastructure Initiative Finance Plan, adopted January 20, 2009, and the recent adoption of the 2009-2015 CIP. Impact fees are just one of several significant elements of the City's evolving long-range financial strategy. Additional background information on the City's impact fees purpose, history, update process, and comparisons with other local agencies is attached to this memorandum in Attachment 2.

Discussions were held with Council on April 20 and 27, at which Council provided direction that staff return with proposed legislation to update the City's transportation impact fee program and adopt a revised transportation impact fee schedule. Staff has prepared two proposed ordinances that will implement Council's direction. Details of each ordinance are described further below:

### **Updates to the Bellevue City Code (Ordinance No. 5871)**

This ordinance will update the City's transportation impact fee program by amending and adding various sections to Chapter 22.16 of the Bellevue City Code. Many of the amendments are of a housekeeping nature, however there are more significant amendments which are listed and briefly described below:

- Methodology for calculating maximum impact fee rate simplified in Section 22.16.080;
- Structure streamlined by consolidating allowable credits into a single section, Section 22.16.087 (note that the majority of these credits are available under existing code provisions);
- Requirement that Transportation Commission review and recommend the impact fee rate schedule is eliminated (Transportation Commission will continue to develop and recommend the TFP and impact fee project lists);
- Allows for the adoption of the impact fee rate schedule by separate ordinance;
- Allows for increase in the impact fee rate schedule through use of the Washington construction costs index; and
- Provides authority to modify the amount or timing of payment of impact fees pursuant to a development agreement approved by the City Council.

### **Transportation Impact Fee Rate Schedule (Ordinance No. 5872)**

Council indicated a preference for a phased-in approach to bringing transportation impact fee rates more in line with the actual costs associated with new growth. The proposed impact fee rate schedule ordinance will not be effective until January 1, 2010. Once initially effective next January, the fee schedule will be based on a fee rate of \$2,000 per new PM Peak Hour Trip for three years, until January 1, 2013. At that time, the fee rate will increase to \$3,000 per new PM Peak Hour Trip for three additional years, until January 1, 2016. The fee rate will increase to \$5,000 per new PM Peak Hour Trip effective January 1, 2016. After January, 2016, the ordinance

allows for an annual adjustment to the rates, based on the change in the Washington State Department of Transportation Construction Costs Index.

**EFFECTIVE DATES:**

If approved, Ordinance No. 5871 amending the transportation impact fee program becomes effective on MAY 13, 2009.

If approved, Ordinance No. 5872 adopting the updated impact fee rate schedule will become effective on MAY 13, 2009, and assessment of the new fee rate will become effective on January 1, 2010.

**OPTIONS:**

1. Approve Ordinance No. 5871 amending the Bellevue City Code to update the City's transportation impact fee program; amending Sections 22.16.010, 22.16.020, 22.16.040, 22.16.050, 22.16.070, 22.16.080, 22.16.090, and 22.16.095 of the Bellevue City Code; creating new Sections 22.16.085 and 22.16.087 in the Bellevue City Code; and deleting Section 22.16.110 of the Bellevue City Code.
2. Approve Ordinance No. 5872 adopting the impact fee rate schedule, as authorized by Bellevue City Code Section 22.16.085.
3. Do not approve one or either ordinance and provide alternate direction to staff.

**RECOMMENDATIONS:**

1. Approve Ordinance No. 5871 amending the Bellevue City Code to update the City's transportation impact fee program; amending Sections 22.16.010, 22.16.020, 22.16.040, 22.16.050, 22.16.070, 22.16.080, 22.16.090, and 22.16.095 of the Bellevue City Code; creating new Sections 22.16.085 and 22.16.087 in the Bellevue City Code; and deleting Section 22.16.110 of the Bellevue City Code.
2. Approve Ordinance No. 5872 adopting the impact fee rate schedule, as authorized by Bellevue City Code Section 22.16.085.

**MOTIONS:**

1. Move to approve Ordinance No. 5871 amending the Bellevue City Code to update the City's transportation impact fee program; amending Sections 22.16.010, 22.16.020, 22.16.040, 22.16.050, 22.16.070, 22.16.080, 22.16.090, and 22.16.095 of the Bellevue City Code; creating new Sections 22.16.085 and 22.16.087 in the Bellevue City Code; and deleting Section 22.16.110 of the Bellevue City Code.
2. Move to approve Ordinance No. 5872 adopting the impact fee rate schedule, as authorized by Bellevue City Code Section 22.16.085.

**ATTACHMENTS:**

1. Transportation Impact Fee Phasing Analysis
2. Additional Impact Fee Program Background/Update Information
3. Transportation Impact Fee Program Report (April 2009) (*provided under separate cover*)
4. Proposed Ordinance No. 5871 (Transportation Impact Fee Program Code Update)
5. Proposed Ordinance No. 5872 (Transportation Impact Fee Schedule)

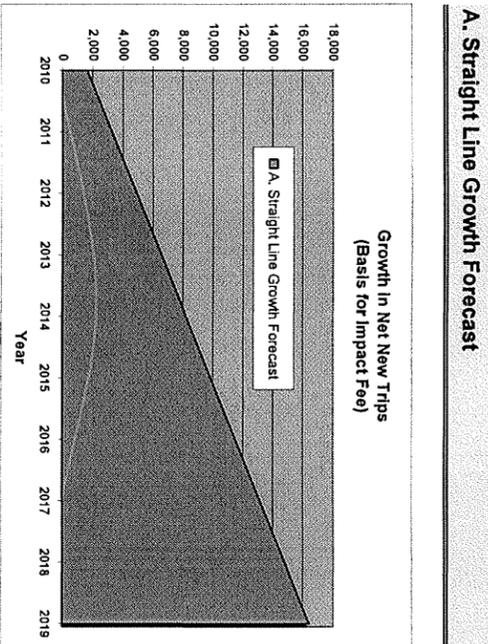
**AVAILABLE IN COUNCIL OFFICE:**  
2009-2020 Transportation Facilities Plan (April 2009)

April 2009 Council Briefing

TIMING OF LAND USE

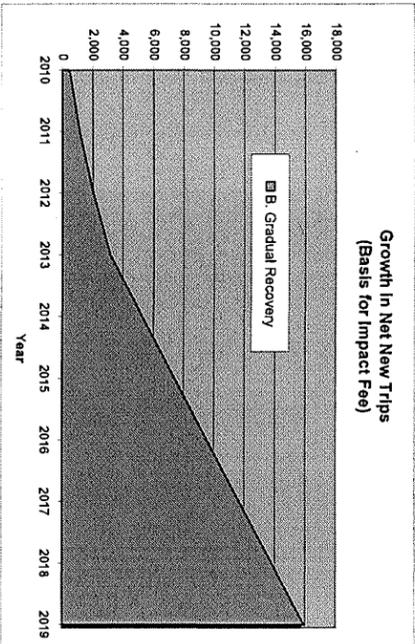
Transportation Impact Fee Phasing Analysis (Expressed in 2009 \$)  
 Assumption: At the impact fee levels shown below, no impact fee credits would likely be needed for LID participation or frontage improvements.

IMPACT FEE ROLL-OUT OPTIONS



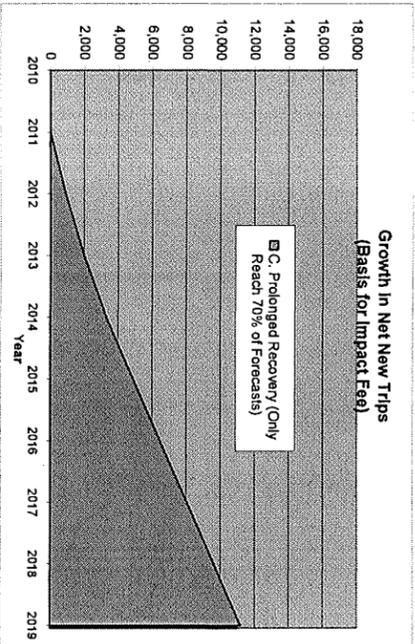
A. Straight Line Growth Forecast

	Yr-1: 2010	Yr-2: 2011	Yr-3: 2012	Yr-4: 2013	Yr-5: 2014	Yr-6: 2015	Yr-7: 2016	Yr-8: 2017	Yr-9: 2018	Yr-10: 2019	10-Yr Total: 2010-2019
Growth in Net New Trips											
	1,640	1,640	1,640	1,640	1,640	1,640	1,640	1,640	1,640	1,640	1,640
1 Recalculation to \$2,000/trip (impact fee inflation factor not calculated)											
Cost/Trip	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Yearly	\$3.3m	\$3.3m									
Cumulative	\$3.3m	\$6.6m	\$9.9m	\$13.1m	\$16.4m	\$19.7m	\$22.9m	\$26.2m	\$29.5m	\$32.8m	\$32.8m
2 \$2,000 for 3 years, increase to \$3,000 in 2016 (impact fee inflation factor not calculated)											
Cost/Trip	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Yearly	\$3.3m	\$3.3m	\$3.3m	\$4.9m	\$4.9m	\$4.9m	\$8.2m	\$8.2m	\$8.2m	\$8.2m	\$8.2m
Cumulative	\$3.3m	\$6.6m	\$9.9m	\$14.8m	\$19.7m	\$24.6m	\$32.8m	\$41.0m	\$49.2m	\$57.4m	\$57.4m
3 Begin with \$5,000/trip (impact fee inflation factor not calculated)											
Cost/Trip	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Yearly	\$8.2m	\$8.2m									
Cumulative	\$8.2m	\$16.4m	\$24.6m	\$32.8m	\$41.0m	\$49.2m	\$57.4m	\$65.6m	\$73.8m	\$82.0m	\$82.0m



B. Gradual Recovery

	Yr-1: 2010	Yr-2: 2011	Yr-3: 2012	Yr-4: 2013	Yr-5: 2014	Yr-6: 2015	Yr-7: 2016	Yr-8: 2017	Yr-9: 2018	Yr-10: 2019	10-Yr Total: 2010-2019
Growth in Net New Trips											
	450	675	900	1,125	2,127	2,127	2,127	2,127	2,127	2,127	2,127
1 Recalculation to \$2,000/trip (impact fee inflation factor not calculated)											
Cost/Trip	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Yearly	\$0.9m	\$1.4m	\$1.8m	\$2.3m	\$4.3m	\$4.3m	\$4.3m	\$4.3m	\$4.3m	\$4.3m	\$4.3m
Cumulative	\$0.9m	\$2.3m	\$4.1m	\$6.3m	\$10.6m	\$14.9m	\$19.1m	\$23.3m	\$27.6m	\$31.8m	\$31.8m
2 \$2,000 for 3 years, increase to \$3,000 in 2016 (impact fee inflation factor not calculated)											
Cost/Trip	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Yearly	\$2.3m	\$3.4m	\$4.5m	\$5.6m	\$10.6m	\$6.4m	\$6.4m	\$10.6m	\$10.6m	\$10.6m	\$10.6m
Cumulative	\$2.3m	\$5.6m	\$10.1m	\$15.8m	\$26.4m	\$37.0m	\$47.7m	\$58.3m	\$68.9m	\$79.6m	\$79.6m
3 Begin with \$5,000/trip (impact fee inflation factor not calculated)											
Cost/Trip	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Yearly	\$2.3m	\$3.4m	\$4.5m	\$5.6m	\$10.6m	\$10.6m	\$10.6m	\$10.6m	\$10.6m	\$10.6m	\$10.6m
Cumulative	\$2.3m	\$5.6m	\$10.1m	\$15.8m	\$26.4m	\$37.0m	\$47.7m	\$58.3m	\$68.9m	\$79.6m	\$79.6m



C. Prolonged Recovery (Only Reach 70% of Forecasts)

	Yr-1: 2010	Yr-2: 2011	Yr-3: 2012	Yr-4: 2013	Yr-5: 2014	Yr-6: 2015	Yr-7: 2016	Yr-8: 2017	Yr-9: 2018	Yr-10: 2019	10-Yr Total: 2010-2019
Growth in Net New Trips											
	0	0	950	1,150	1,375	1,575	1,575	1,575	1,575	1,575	1,575
1 Recalculation to \$2,000/trip (impact fee inflation factor not calculated)											
Cost/Trip	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Yearly	\$0.0m	\$0.0m	\$1.9m	\$2.3m	\$2.8m	\$3.2m	\$3.2m	\$3.2m	\$3.2m	\$3.2m	\$3.2m
Cumulative	\$0.0m	\$0.0m	\$1.9m	\$4.2m	\$7.0m	\$10.1m	\$13.3m	\$16.4m	\$19.6m	\$22.7m	\$22.7m
2 \$2,000 for 3 years, increase to \$3,000 in 2016 (impact fee inflation factor not calculated)											
Cost/Trip	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Yearly	\$0.0m	\$0.0m	\$1.9m	\$3.5m	\$4.1m	\$4.7m	\$7.9m	\$7.9m	\$7.9m	\$7.9m	\$7.9m
Cumulative	\$0.0m	\$0.0m	\$1.9m	\$5.4m	\$9.5m	\$14.2m	\$22.1m	\$30.0m	\$37.8m	\$45.7m	\$45.7m
3 Begin with \$5,000/trip (impact fee inflation factor not calculated)											
Cost/Trip	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Yearly	\$0.0m	\$0.0m	\$4.8m	\$5.8m	\$6.9m	\$7.9m	\$7.9m	\$7.9m	\$7.9m	\$7.9m	\$7.9m
Cumulative	\$0.0m	\$0.0m	\$4.8m	\$10.5m	\$17.4m	\$25.3m	\$33.1m	\$41.0m	\$48.9m	\$56.8m	\$56.8m

**Additional Impact Fee Program Background/Update Information**

The purpose of the impact fee program is to assess private development for a portion of the cost of transportation improvements necessary to mitigate the cumulative impacts of growth. The impact fee project list is a subset of the transportation improvements in the TFP, including roadway and intersection capacity projects needed to accommodate additional traffic resulting from new development.

**Impact Fee Program History**

The City’s original impact fee schedule was adopted by City Council in 1990. Ordinance No. 4104, which authorized the original impact fee program, directed that the average impact fee rate not exceed \$3.00 per gross square foot of development (1989 dollars). Fees have been updated four times since 1990, in 1995, 1999, 2002 and most recently in 2005, **Table 1, below**).

**Table 1 – Historical Impact Fee Comparison**

<b>Year</b>	<b>Dollars per Trip*</b>	<b>Dollars per GSF*</b>
1990	1,446	2.66
1995	839	1.84
1999	910	1.95
2002	1,012	2.30
2004 (In Effect)	469	1.14
Historical Average	935	1.98

\* Dollars per Trip and Dollars per GSF (Gross Square Foot) figures indicated in this table are calculated citywide averages, an easily comparable indicator of each fee update. Actual fees vary based on type, size and location of the development.

**Impact Fee Program Review**

Following adoption of the (previous) 2006-2017 TFP in December 2006, Council directed staff to conduct a detailed review of the City’s impact fee program and to investigate options to simplify the program’s fee calculation methods. No impact fee update was approved at that time.

In response to Council’s direction, the Transportation Department retained the consultant team of Mirai Associates (now Fehr & Peers/Mirai) and Henderson, Young & Company to assist with a review of the City’s current impact fee program. The initial phases of the program review included technical analysis of current fee calculation methodologies, senior staff workshops, briefings with Downtown and Chamber of Commerce groups, and the Transportation Commission. The technical review also considered the mechanics of calculating fees by district (14 districts are currently used in Bellevue’s program) and the implications of simplifying to a system with a citywide or single district approach.

The key contract deliverable developed by the consultants is a ‘white paper’ that summarizes the current impact fee program, documents policy and legal considerations, and outlines options for the update of the program. Refer to Attachment 2 (Additional Impact Fee Program Background/Update Information) for a “Matrix of Key Impact Fee Program Issues and Update Recommendations”. A copy of the white paper is also available for review in the Council office.

### **Impact Fee Program Update**

In January 2008, the City Council initiated work on development of a Mobility and Infrastructure Initiative financing strategy. The purpose of this effort was to supplement the City's existing Capital Investment Program (CIP) Plan and special property tax (known as the "Supplemental CIP") levied by the Council to fund high priority capital needs in the community. The Mobility and Infrastructure Initiative financing strategy is intended to fund transportation and other improvements that respond to the growth in travel demand caused by development in Downtown, growth in trips from other parts of the City, and to provide initial capital investments in the Bel-Red area to support planned growth.

The City's overall financing strategy, which may be applied to the CIP, the TFP, or the Mobility and Infrastructure Initiative Plan, seeks to establish a broad-based financing plan, based on the principle that those who benefit from the improvements should bear some of the responsibility to pay for them. The Plan uses a combination of financial strategies including general taxes (sales, B&O, and property taxes), state and federal grants, an increase in impact fees, use of Local Improvement Districts (LIDs), and other Bel-Red specific financing mechanisms. The Finance Plan balances project delivery costs with the revenue needed to pay for the projects. A change in any one revenue source means that replacement revenue needs to be found elsewhere, or the number and/or scope of the projects reduced.

The City has historically relied on revenue from existing business, residential tax payers, and from impact fees to pay for needed capital investment. Bellevue's impact fees have historically generated only a very limited amount of capital revenue. Since fees have not been adjusted for some time, this has resulted in an unbalanced CIP, where existing business and residential tax payers have carried a higher burden of the cost of new capital investment, even though that new investment supports growth.

Impact fees are the most direct way for new development to pay for their associated impacts. While new development does contribute sales tax, business and occupation taxes, and property tax revenue, those revenue sources are fully committed in the current CIP and TFP. The Mobility and Infrastructure Initiative Finance Plan and the new 2009-2020 TFP rely on new transportation impact fee revenue to pay for the impact of new development on the transportation system.

The recently adopted TFP identifies the projects that, over time, will address long term mobility issues throughout the city. TFP project costs associated with capacity projects are the basis for calculating impact fees. Using the 2009-2020 TFP update, Fehr & Peers has prepared a "Transportation Impact Fee Program Report" which documents the approach and methodology for the calculation of impacts fees in Bellevue. Based on the new TFP and the analysis in the Report, the City could legally impose impact fees of \$8,667 per trip. This compares to historical impact fees charged by the City, ranging between \$469 and \$1,446 per trip based on the number of capacity projects in the TFP and other policy direction. A copy of the City of Bellevue Transportation Impact Fee Program Report is also attached to the Transportation Impact Fee Update memorandum (Attachment 3).

An impact fee rate of \$5,000 per trip has been assumed in the development of the Mobility and Infrastructure Initiative Finance Plan. A fee rate of \$5,000 is both significantly less than could be legally imposed and higher than past levels. The figure is less than could be legally imposed because the City has chosen to allocate the costs of the transportation investment broadly,

utilizing new general property tax resources, LIDs, and other general revenues of the City. However, the figure is also higher than past levels reflecting the need for greater investment in transportation projects to respond to current and planned growth throughout the community. At the \$5,000 level, the impact fee rate would not be out of character with neighboring jurisdictions.

**Comparison with Other Agencies**

Current impact fee rates in Bellevue are among the lowest in the region (among agencies that use impact fees) and much lower than adjacent eastside cities such as Kirkland, Redmond and Issaquah. Refer to **Figure 1** below for a graphical comparison of Bellevue’s current and potential fees to existing fees in neighboring cities.

**Figure 1: Local Agency Impact Fee Comparison**

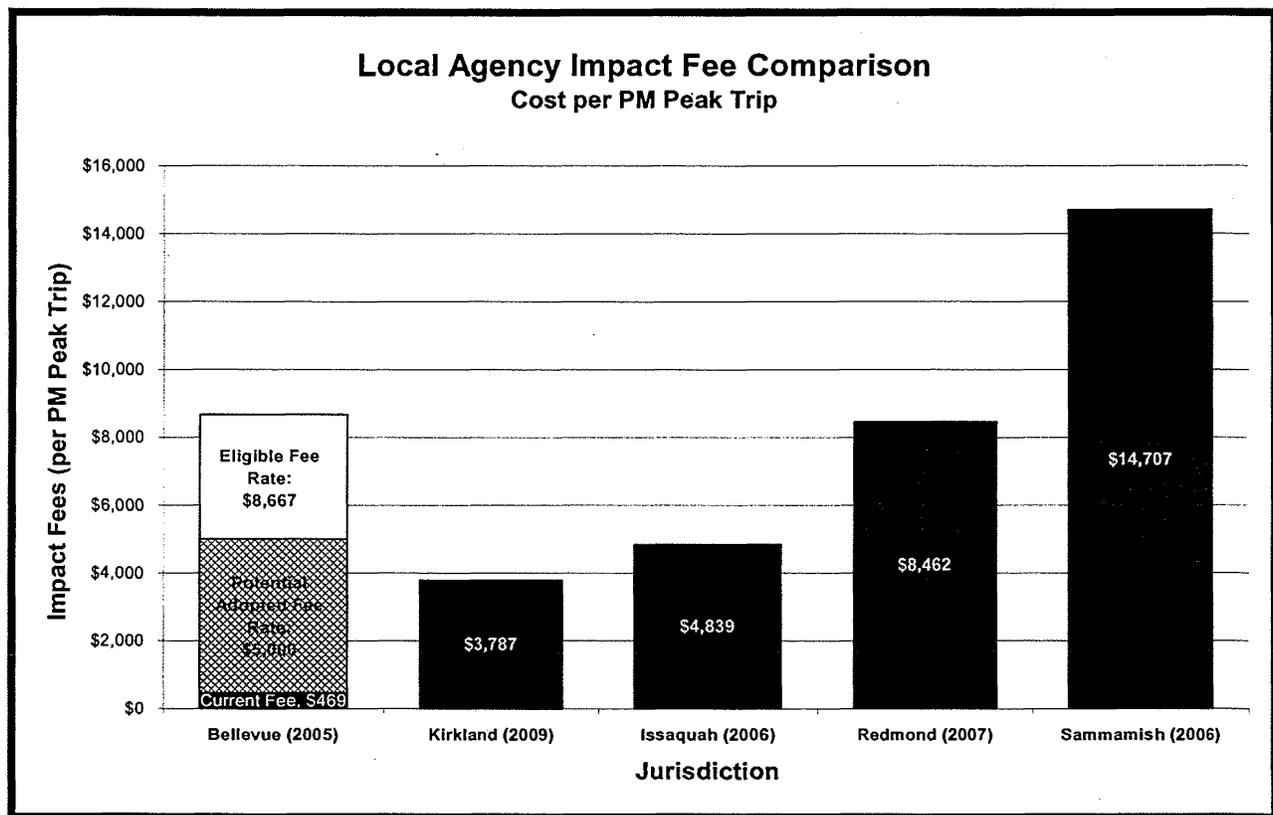
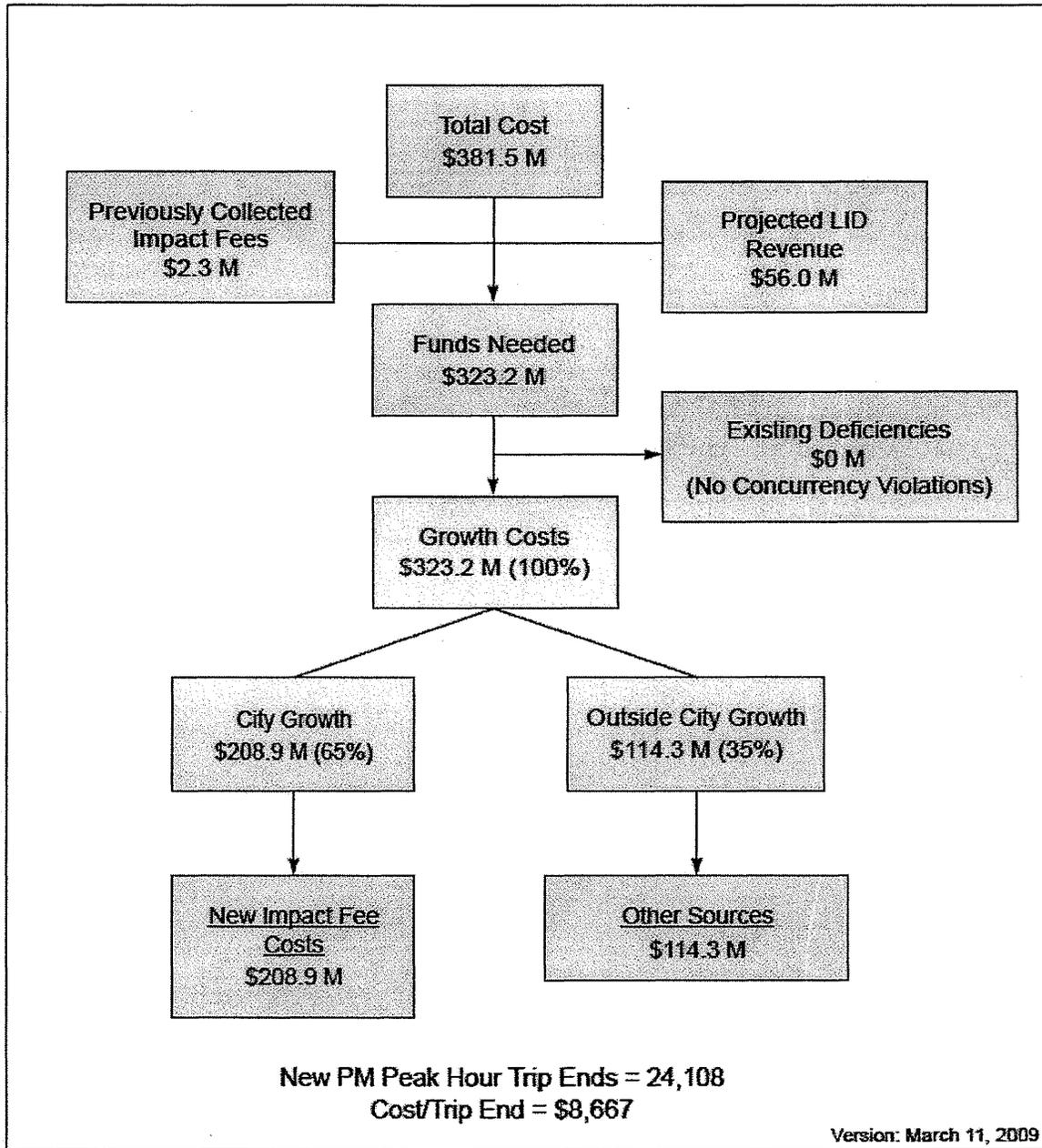


Table 2 - Matrix of Impact Fee Program Issues and Update Recommendations

Topic	Past Practice	Recommended Approach	Notes
Impact Fee Project List	Roadway & Intersection capacity projects included in the adopted TFP	No Change	<ul style="list-style-type: none"> <li>Refer to <b>Figure 2</b> for a map of the impact fee projects in the proposed 2009-2020 TFP</li> <li>Total impact fee project list cost: \$381.5 million</li> </ul>
Number of Impact Fee Districts	14 Districts, consistent with the 14 Mobility Management Areas identified in the Comprehensive Plan	Single citywide district	Consistent with Council direction, this may be the most significant step to “simplify” the City’s impact fee program
Growth Cost Allocation Methodology	Average Cost Method: Growth pays only for the ratio of Bellevue growth trips to the total of all trips (Result = low growth share & low fee potential)	Marginal Cost Method: Growth pays for ratio of Bellevue growth trips to the total of growth trips generated inside and outside the City (Result = higher growth share & higher fee potential)	<ul style="list-style-type: none"> <li>Method distinguishes between facility improvements that address existing deficiency and those needed to serve new growth (See <b>Figure 3</b>).</li> <li>Concept is that if there were no growth, no improvements would be necessary, therefore growth should pay higher share.</li> </ul>
Impact Fee Project Cost – Cost Inflation	No provision to adjust impact fee rate or impact fee project cost for inflation	Provide for automatic inflationary adjustment of impact fees between updates of the TFP and impact fee program	Code amendment necessary to specify when and how impact fee will be adjusted for cost increases (i.e. adjust fee annually based on the WSDOT Construction Cost Index)
Impact Fee Rate Adjustment due to use of Local Improvement Districts (LIDs)	Not Applicable	Deduct projected LID assessment revenue from impact fee project costs	<ul style="list-style-type: none"> <li>Resolves potential issue of double charging developments within an LID for the same improvements</li> <li>Alternative to providing impact fee credit to LID property developers on a case by case basis</li> </ul>
Full Impact Fee Rate vs. Adopted Fee Rate	Not Applicable	Council may adopt the actual fee rate to be imposed at any amount less than the full, calculated rate	<ul style="list-style-type: none"> <li>Full rate calculated to be <b>\$8,667/trip</b> based on the TFP project list (costs adjusted for LID revenue)</li> <li>Council may also adopt “phase in schedule” for rate increases</li> <li>Other revenue must be identified to fill gap in the financially constrained facilities plan</li> </ul>
Differential Trip Generation Rates – Downtown Bellevue	Differential trip generation rates in Downtown (25% lower rates for many land uses including office and multifamily residential developments)	No change	<ul style="list-style-type: none"> <li>Acknowledges greater opportunity and use of alternate travel modes in Downtown</li> <li>Differential rates may be established in other areas when appropriate (i.e. in Bel-Red when LRT is in place)</li> </ul>



Figure 3: Impact Fee Cost Allocation Results



CITY OF BELLEVUE, WASHINGTON  
ORDINANCE NO. 5871

AN ORDINANCE amending the Bellevue City Code to update the City's transportation impact fee program; amending Sections 22.16.010, 22.16.020, 22.16.040, 22.16.050, 22.16.070, 22.16.080, 22.16.090, and 22.16.095 of the Bellevue City Code; creating new Sections 22.16.085 and 22.16.087 in the Bellevue City Code; deleting Section 22.16.110 of the Bellevue City Code; and establishing an effective date.

WHEREAS, the State of Washington Growth Management Act, Chapter 36.70A RCW and related sections ("GMA") requires the city to adopt a Comprehensive Plan that provides adequate public facilities to serve development; and

WHEREAS, Counties, cities, and towns that are required or choose to plan under RCW 36.70A.040 are authorized to impose impact fees on development activity as part of the financing for public facilities, provided that the financing for system improvements to serve new development must provide for a balance between impact fees and other sources of public funds and cannot rely solely on impact fees; and

WHEREAS, the city council finds that new development activity in the City of Bellevue will create additional demand and need for public facilities; and

WHEREAS, the City of Bellevue has previously adopted a transportation impact fee program pursuant to the authority provided in Chapter 82.02 RCW; and

WHEREAS, the city council finds that the city's transportation impact fee program generates impact fees: that are imposed for system improvements that are reasonably related to new development; that do not exceed a proportionate share of the costs of system improvements that are reasonably related to new development; and that shall be used for system improvements that will reasonably benefit the new development; and

WHEREAS, this ordinance is exempt from the requirements of the State Environmental Policy Act (SEPA), Chapter 43.21C RCW, and the City's Environmental Procedures Code, BCC 22.02; now, therefore,

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES  
ORDAIN AS FOLLOWS:

Section 1. Section 22.16.010.B of the Bellevue City Code is hereby amended as follows:

B. This Chapter 22.16 BCC supplements existing authority of the city to regulate development. This chapter does not supplant the requirements of environmental review and mitigation under the State Environmental Policy Act ("SEPA") and Chapter 22.02 BCC. Any transportation impact fees paid in accordance with the program established by this chapter shall not exceed a proportionate share of the costs of system improvements that are reasonably related to the new development. This program may serve as one method by which the developer may meet, in part or in whole, its obligations under SEPA; provided, that a developer required to pay a fee as mitigation under SEPA and Chapter 22.02 BCC for system improvements shall not be required to pay any portion of an impact fee under this chapter imposed for those same system improvements.

Section 2. Section 22.16.020 of the Bellevue City Code is hereby amended as follows:

**22.16.020 Definitions.**

A. ~~"Affordable housing" means that housing which is affordable to families with an income up to 80 percent of the area median income, adjusted for family size, as defined by the Department of Housing and Urban Development for the Seattle Metropolitan Statistical Area. In addition, "affordable housing" shall mean those all categories of affordable housing for certain projects as defined in the downtown area which Bellevue City Code (Land Use Code), Section 20.20.128(B)(9) defines as affordable for households whose incomes do not exceed 105 percent, 100 percent, 90 percent, 50.010, now or 80 percent of the area median income as hereafter amended. "Affordable housing" as used in this chapter is determined to be consistent with "low-income housing" referred to in RCW 82.02.060 and is considered a development activity with broad public purposes.~~

B. "Developer" means an individual, group of individuals, partnership, corporation, association, municipal corporation, state agency, or other person undertaking development and their successors and assigns.

C. "Development" means any construction or expansion of a building, structure, or use for which a permit, approval, or other authorization is required that creates additional demand and need for ~~public facilities~~transportation improvements; provided, that such development generates at least one new p.m. peak hour trip, when the permit, approval, or other authorization for the development is processed pursuant to Bellevue City Code (Land Use Code) ~~Title 20 Process I (20.35.100 et seq.); Bellevue City Code (Land Use Code) Process II (20.35.200 et seq.); or Bellevue City Code (Construction Code) Chapter 23.10. In the case of tenant improvement permits, "Development~~development" means any proposed new use or expanded existing use for which SEPA review is required; the threshold for imposing the impact fee for a tenant improvement is ~~44:00 p.m.~~even new trips in the P.M. peak hour-trips. Development does not include buildings or structures constructed by a regional transit authority.

D. "Director" means the director of the transportation department or his or her designee or any other person designated by the city manager.

E. "Downtown" shall have the same definition as set forth in Bellevue Land Use Code section 20.50.016, now or as hereafter amended.

DF. "Fair market value" means the price in terms of money that a property will bring in a competitive and open market under all conditions of a fair sale, the buyer and seller each prudently knowledgeable, and assuming the price is not affected by undue stimulus, measured at the time of the dedication to local government of land or improved transportation facilities.

EG. "Gross floor area" means the sum in square feet of the area at each floor level of a building that is included within the principal outside faces of exterior walls. The gross floor area of any parking garages within the building shall not be included.

FH. "Impact fee area" means one or more geographic areas within the service area, as shown on the map adopted by Section 16 of Ordinance 4824, and as such map may be amended in the transportation impact fee program report.

GI. "Impact fee project list" means those transportation improvement projects in the transportation facilities plan Transportation Facilities Plan which are funded in part by transportation impact fees, as adopted by Section 15 of Ordinance 4824 and given Clerk's Receiving No. 22455, and as such list may be amended determined to be reasonably related to new development, as developed pursuant to Section 22.16.050. Unless otherwise specified, references to the impact fee project list shall refer to such list in effect at the time of application of this chapter to a particular development.

HJ. "Impact fee schedule" means a schedule of impact fee rates per development unit (e.g., square footage) for specific land uses within each impact fee area, as adopted by Section calculated pursuant to section 22.16 of Ordinance 4824 and given Clerk's Receiving No. 22456, and as such schedule may be amended.080, supported by the concurrently-adopted transportation impact fee program report, and adopted by ordinance. Unless otherwise specified, references to the impact fee schedule shall refer to such schedule in effect at the time of application of this chapter to a particular development.

IK. "Level of service" means a measure of traffic congestion along a roadway or at an intersection identified by a letter from A to F as defined by the Institute of Transportation Engineers and as adopted in the Transportation Element of the City's Comprehensive Plan, now or as hereafter amended.

JL. "P.M. peak hour" means the 60-minute period between 3:00 p.m. to 7:00 p.m. which experiences the highest volume of traffic on a roadway or passing through a roadway intersection.

KM. "P.M. peak hour trips" means the total vehicular trips entering and leaving a development during the p.m. peak hour on the adjacent roadway.

LN. "P.M. peak hour trip generation rate" means the trip generation rate per unit of development, as specified in the city of Bellevue's most recent transportation impact fee program technical report. A unit of development is the element used to describe the size of the development, e.g., gross floor area in square feet for an office building, students for a school. Other trip generation definition sources may be used

where the ~~proposal~~proposed development has special trip-generating characteristics, subject to approval of the transportation department.

MO. "Project improvements" mean site improvements and facilities that are planned and designed to provide service for a particular development project and that are necessary for the use and convenience of the occupants or users of the project, and are not system improvements. No improvement or facility included in the capital facilities plan shall be considered a project improvement.

NP. "Proportionate share" means that portion of the cost of ~~public facility~~transportation improvements that are reasonably related to the service demands and needs of new development.

O. "~~Reasonably related to the proposed development~~" means ~~those quantifiable transportation impacts that are caused by vehicles whose trip origin or destination is the proposed development.~~

PQ. "~~Service or plan area~~" means the geographic area which is benefited by the transportation improvements proposed to be constructed with transportation impact fees collected under this Chapter 22.16 BCC and within which transportation impact fees will be imposed. The boundaries of the service area shall be the same as the legal boundaries of the city of Bellevue and shall include all unincorporated areas annexed to the city on and after the effective date of the ordinance codified in this chapter. Pursuant to the adoption of interlocal agreements with other local and regional governments, including any transportation benefit district created pursuant to Chapter 36.73 RCW, the geographic boundaries of the service area may be expanded consistent with the provisions of such interlocal agreements.

QR. "System improvements" mean ~~public facilities~~transportation improvements that are included in the capital facilities plan and are designed to provide service to service areas within the community at large, in contrast to project improvements.

RS. "~~Transportation facilities plan~~Facilities Plan" means the 12-year program adopted by the city council ~~by resolution~~ for jointly funding, from public and private sources, transportation improvements necessitated in whole or in part by development within the service area. The ~~Transportation facilities plan~~Facilities Plan is based on the transportation facility plans adopted in the city's ~~GMA comprehensive plan codified at 21.M.610 et seq.~~Comprehensive Plan. Unless otherwise specified, references to the Transportation Facilities Plan shall refer to such Plan in effect at the time of application of this chapter to a particular development.

SI. "Transportation impact fee" means a payment of money imposed upon development as a condition of development approval to pay for ~~public facilities~~transportation improvements needed to serve new growth and development, and that is reasonably related to the new development that creates additional demand and need for ~~public facilities~~transportation improvements, that is a proportionate share of the cost of the ~~public facilities~~transportation improvements, and that is used for ~~facilities~~improvements that reasonably benefit the new development. "Impact fee" does not include a reasonable permit or application fee.

TU. "Transportation impact fee program report" means the report entitled "Transportation Impact Fee Program for Bellevue, Washington". Unless otherwise specified, references to the transportation impact fee program report shall refer to

the edition of such report in effect at the time of application of this chapter to a particular development.

V. “Transportation improvement” means any and all capital improvements to the transportation infrastructure of the city constructed pursuant to city design and development standards and requirements, including without limitation roads, bridges, overpasses, sidewalks, curbs, turn lanes, traffic signals, traffic signs, HOV lanes, bus shelters, and associated landscaping. The cost of the transportation improvement shall include any debt service payments, including interest, for any of these improvements.

~~U. “Transportation management program” means a program(s) designed to increase the efficiency of existing capital transportation facilities including, without limitation, transit, ridesharing, flexible working hours, and other measures to decrease single occupancy vehicle trips.~~

Section 3. Section 22.16.040 of the Bellevue City Code is hereby amended as follows:

**22.16.040 Designation of ~~long-term transportation~~ capital facilities plan.**

~~The city designates the transportation facilities plan~~ Transportation Facilities Plan adopted by Resolution No. 5802 and any subsequent updates thereto as the city’s comprehensive ~~long-term transportation~~ capital facilities plan for the purpose of identifying the proposed transportation improvements reasonable and necessary to meet the future development needs of the service area consistent with the city’s level of service policy, as required by RCW 82.02.050. ~~The transportation facilities plan is based on the transportation facility plans adopted in the city’s GMA comprehensive plan codified at 21.M.610 et seq.~~

Section 4. Section 22.16.050 of the Bellevue City Code is hereby amended as follows:

**22.16.050 Transportation improvements.**

A. ~~The transportation facilities plan~~ Transportation Facilities Plan is a 12-year list of transportation improvements in the service area. These transportation improvements include design, acquisition of right-of-way, and construction. Every two years or as otherwise directed by the Council, the transportation commission shall review and as necessary present an update of the transportation facilities plan Transportation Facilities Plan to the city council for ~~approval and adoption.~~ consideration.

B. The impact fee project list consists of the transportation improvements in the ~~transportation facilities plan~~ Transportation Facilities Plan needed to provide capacity on city of Bellevue roadways, where the capacity needs are ~~created~~ reasonably related in part or in whole by to new development. The impact fee project list is adopted by the city council.

~~C. Within six months following the adoption of an updated transportation facilities plan, when it adopts the transportation commission shall present to city council for approval and adoption an updated impact fee project list. This list shall include the~~

~~costs of design, acquisition of right-of-way, and construction.~~ Transportation Facilities Plan.

Section 5. Section 22.16.070 of the Bellevue City Code is hereby amended as follows:

**22.16.070 Imposition of transportation impact fees.**

A. Any development in the service area, except a development or portion thereof specifically exempt pursuant to subsection B of this section, ~~which is approved, permitted, or otherwise authorized after the effective date of Ordinance No. 4104,~~ shall be required to pay a transportation impact fee to the extent and in the amount provided herein.

B. The following types of development or portion thereof are development activities with broad public purposes, and are exempt from the requirement to pay a transportation impact fee as otherwise required by this Chapter 22.16 BCC:

1. Any development or portion thereof used exclusively for "child care services" as defined in Bellevue City Code (Land Use Code) Section 20.50.014 now or as hereafter amended; provided, that no such exemption shall be provided unless the developer has first signed a ~~concomitant~~ agreement satisfactory to the city which provides assurance that such "child care services" use shall continue for at least that term specified in such ~~concomitant~~ agreement;

2. Any development or portion thereof used exclusively for "affordable housing"; provided, that no such exemption shall be provided unless the developer has first signed a ~~concomitant~~ agreement satisfactory to the city which provides assurance that such "any units granted an exemption under this section shall remain affordable housing" ~~will continue to be made available for as long as the life of the structure exists~~ project;

3. Public transportation facilities;

4. ~~Public parks and recreational facilities~~ City parks or public parks each as defined in Bellevue City Code (Land Use Code) 20.50.040, now or as hereafter amended;

5. Privately operated not-for-profit social service facilities recognized by the Internal Revenue Service under Internal Revenue Code Section 501(c)(3);

6. Public libraries;

7. Publicly-funded educational institutions;

8. Hospitals, as defined in Bellevue City Code (Land Use Code) 20.50.024 now or as hereafter amended, if not operated for profit.

Impact fees for these exemptions shall be paid from public funds other than the impact fee fund.

C. Timing of calculation and payment. This chapter shall be applied at and impact fees for development shall be paid at the time of issuance of a building permit based on the impact fee rate schedule then in effect. In the event the development does not require a building permit, application of this chapter and payment of impact fees shall be at the time of issuance of the approval of the development. The timing of payments may be modified in a development agreement approved by the city council pursuant to RCW chapter 36.70B.

Section 6. Section 22.16.080 of the Bellevue City Code is hereby amended as follows:

**22.16.080 Calculating transportation impact fees.**

~~A. Within six months following the Concurrently with adoption of an updated Transportation Facilities Plan, the director shall prepare an updated transportation facilities plan, and subsequent adoption of an updated impact fee project list, the transportation commission shall develop a new transportation impact fee schedule program report using the following methodology and shall present such schedule to the city council for consideration for approval and adoption:~~

~~1. Determine the share of costs attributable to growth. For the transportation improvements listed in the impact fee project list, calculate the percentage of total future p.m. peak hour traffic attributable to development within any transportation deficiencies based upon the adopted level of service area (“development percentage”). Multiply standards. Remove the development percentage by the proportion of the total estimated cost costs of such transportation improvements to obtain the funding amount needed from development within the service area.~~

~~2. Specify one or more geographic areas within the service plan area as “impact fee areas.”~~

~~3. For attributable to deficiencies. The remaining “growth share of costs” the transportation improvements listed in the impact fee project list, calculate the percentage of projected p.m. peak hour traffic attributable to development originating from or destined to each impact fee area. Using the resulting percentage, allocate a proportionate share of the transportation cost are attributable to development to each impact fee area. Within an impact fee area, sum these proportionate shares of transportation improvements. This sum constitutes the “area development cost.” new growth occurring within and outside of the City.~~

~~4. Calculate the city development percentage of growth on the transportation improvements. Multiply this percentage by the total growth share of costs to determine the share of the transportation costs attributable to development in the City. This total constitutes the “city development share of cost.”~~

~~5. Divide the “area development city development share of cost” by the total number of p.m. peak hour vehicle trips generated by development within the impact fee area to obtain an “average city. The resulting value is the “impact fee per trip.”~~

~~6. Adjust the “average impact fee per p.m. peak hour trip” for specific land use types to account for:~~

- ~~a. Pass-by trips, as defined in the ITE Institute of Transportation Engineers’ Trip Generation Manual, current edition Report, now or as hereafter amended; and~~
- ~~b. Average trip length; and~~
- ~~c. Expected levels of ridesharing and transit usage.~~

~~7. Produce a schedule of impact fee rates per development unit (e.g., square footage, housing units) for specific land use types for consideration pursuant to 22.16.085 within each impact fee area.~~

~~B. The transportation department director shall calculate the amount of the applicable transportation impact fee for each development by:~~

- ~~1. Determining the applicable impact fee area for the development;~~

~~2.1.~~ Verifying the development land use type and units of development;

~~32.~~ Determining the applicable per unit transportation impact fee from the impact fee schedule;

~~43.~~ Multiplying the applicable per unit transportation impact fee by the development unit to obtain the "base transportation impact fee" for such development.

C. If the development does not fit into any of the categories specified in the transportation impact fee schedule, the ~~department~~ director shall use the impact fee applicable to the most directly comparable type of land use specified in the impact fee schedule. If the development includes mixed uses, the fee shall be determined by apportioning the space committed to uses specified in the impact fee schedule.

D. The transportation department director shall be authorized to adjust the impact fees for any mixed development based on analysis of specific trip generating characteristics of the development. Such adjustments may consider mixed-use characteristics and/or expected levels of ridesharing and transit usage of the development.

~~D. Once the calculation of the "base transportation impact fee" has been made, any credit owing to the development for the fair market value of any dedication of land for, improvements to, or new construction of any system improvements provided by the developer, to facilities that are identified in the impact fee project list and that are required as a condition of approving the development activity shall be provided. The director of the transportation department shall initially determine, subject to final approval by the city council, whether the city will accept such dedication, improvements or construction. If the value of any such dedication, improvements or construction exceeds the amount of the transportation impact fee obligation, the developer shall be entitled to reimbursement from transportation impact fees that are paid by subsequent developers within the service area. To ensure that reimbursements are paid only from impact fees and not from general city funds, the reimbursement amount may not exceed the growth percentage of the impact fee project multiplied by the value of the dedication, improvement or construction. The growth percentage of a project is identified in the impact fee project list. The director of the transportation department is directed to establish rules and regulations to administer the provisions of this section.~~

~~E. Payment of the transportation impact fee entitles the developer and its successors or assigns to a credit in the amount of the impact fee against any other fee or assessment made specifically for the designated system improvements covered by the transportation impact fee imposed under this Chapter 22.16 BCC.~~

~~F. A developer shall be given a credit against a transportation impact fee in the amount of transportation impact mitigation fees already paid or improvements already constructed where a prior recorded concomitant agreement provided for the payment for or the construction of any transportation improvement or portion thereof included in the impact fee project list. This provision applies only where the property subject to the concomitant agreement is the property on which the development is proposed to be located.~~

~~G. The transportation impact fee schedule authorized pursuant to this Chapter 22.16 BCC may be revised if review shows that the estimated cost of carrying out~~

~~the applicable transportation improvements to be funded under the impact fee project list has changed at the time of the review of the list. This provision shall apply prospectively only. No transportation impact fee for a specific development shall be increased or decreased once said fee has been paid.~~

~~H.~~ No transportation impact fee shall be collected if the transportation improvements are incapable of being reasonably accomplished because of lack of public funds. No impact fee shall be imposed by the city on a development when mitigation for the same transportation impact of the development is being required by any other governmental agency pursuant to any other local, state, or federal law.

~~I. The transportation department~~F. The director may consider unusual circumstances for specific developments and may adjust the ~~standard otherwise applicable~~ impact fee for specific developments in order to ensure that impact fees are imposed fairly. The ~~department~~director shall set forth its~~his/her~~ reasons for adjusting the impact fee in written findings.

G. Through a development agreement approved by the city council pursuant to RCW chapter 36.70B, the impact fees calculated for a specific development may be adjusted or reduced upon a finding that the public interest is served by such adjustment and so long as any reduction of impact fees is paid from public funds other than the impact fee fund.

Section 7. A new section 22.16.085 is hereby added to the Bellevue City Code as follows:

**22.16.085 Impact fee rate schedule.**

A. The transportation impact fee schedule determined pursuant to Section 22.16.080.A shall be adopted by a separate ordinance; provided that the schedule of impact fee rates per development unit for specific land use types may be reduced below the amounts determined by Section 22.16.080.A as the Council deems appropriate.

B. In no event shall the impact fee scheduled authorized pursuant to this Chapter exceed the maximum amounts authorized pursuant to Section 22.16.080.A as calculated in the transportation impact fee program report.

C. The transportation impact fee schedule may be revised at any time the Council deems just and appropriate, including but not limited to, concurrent with the update of the Transportation Facilities Plan and transportation impact fee program report. The Council shall revise the impact fee schedule in the event that the transportation impact fee program report prepared in accordance with Section 22.16.080.A above indicates that the impact fee schedule must be updated to avoid fees in excess of the maximum rate established by such report.

D. The ordinance adopting the impact fee schedule may include authority for the director to adjust the fee rates through the use of the Washington State Department of Transportation Construction Cost Index. This provision shall apply prospectively only. No transportation impact fee for a specific development shall be increased or decreased once said fee has been paid.

Section 8. A new Section 22.16.087 is hereby added to the Bellevue City Code as follows:

**22.16.087 Credits**

A. A developer shall be given a credit against a transportation impact fee for the fair market value of any dedication of land plus the actual costs of construction of any improvements to or new construction of any system improvements provided by the developer, where such system improvements are identified in the impact fee project list and are required as a condition of approving the development activity. If the value of any such dedication, improvements and/or construction exceeds the amount of the transportation impact fee obligation, the developer shall be entitled to reimbursement from transportation impact fees that are paid by subsequent developers within the service area. To ensure that reimbursements are paid only from impact fees and not from general city funds, the reimbursement amount may not exceed the city growth percentage of the impact fee project multiplied by the value of the dedication, improvement and/or construction. The city growth percentage of a project is identified in the impact fee project list. In the event that the developer donates land for a system improvement in exchange for an increase in floor area ratio, the fair market value of the increase in the floor area ratio provided shall be deducted from the credit calculated pursuant to this subsection A. Any land or system improvement proposed to be dedicated to must be accepted by the city in the form and manner provided by applicable city codes and regulations.

B. A developer shall be given a credit against a transportation impact fee in the amount equal to the amount of the developer's obligation to pay for local improvement district assessments for any transportation improvement project on the impact fee list, provided that no such credit shall be required if the amount of the local improvement district payment for the transportation improvement project was used in the transportation impact fee program report to reduce the cost of the transportation improvement project that is the basis for the impact fee rate schedule.

C. A developer shall be given a credit against a transportation impact fee in the amount of transportation impact mitigation fees already paid or improvements already constructed where a prior recorded concomitant agreement provided for the payment for or the construction of any transportation improvement or portion thereof included in the impact fee project list. This provision applies only where the property subject to the concomitant agreement is the property on which the development is proposed to be located.

D. Payment of the transportation impact fee entitles the developer and its successors or assigns to a credit in the amount of the impact fee against any other fee or assessment made specifically for the designated system improvements covered by the transportation impact fee imposed under this Chapter 22.16 BCC.

Section 9. Section 22.16.090 of the Bellevue City Code is hereby amended as follows:

**22.16.090 Determination, collection and administration of fees.\***

A. ~~The transportation department director shall determine the amount of the transportation impact fee required for any development pursuant to the transportation impact fee schedule and the provisions of this chapter.~~

B. ~~Consistent with the provisions of 22.16.070.C above, No building permit, or conditional use permit where applicable other development approval if a building permit is not required,~~ for any development requiring payment of a transportation impact fee pursuant to this Chapter 22.16 BCC shall be issued until the transportation impact fee has been paid in full.

C. There is hereby created and established a special purpose, nonoperating transportation impact fee fund ("the impact fee fund"). All transportation impact fees, and investment income received pursuant to this Chapter 22.16 BCC shall be deposited into the impact fee fund. Procedures for administration of the fund shall be established by the director of the finance department. The impact fee fund is not intended as a fund from which direct transportation capital expenditures will be made. This fund is intended to serve as an accounting device to receive revenues generated as described herein for automatic transfer to other fund(s) where expenditure purposes associated with these revenues have been budgeted. In consideration of this, appropriations in this fund may be administratively adjusted periodically; that is, without additional ordinance requirements, in order to equal revenue expectations. Appropriation changes by ordinance will continue to be provided for the funds in which expenditures will actually occur.

D. The transportation department shall pool impact fees whenever necessary to ensure that the fees are expended or encumbered for a permissible use within six years of receipt, unless there exists an extraordinary or compelling reason for fees to be held longer than six years. The city council shall adopt written findings setting forth its reasons for holding any fees longer than six years. Pooling for such purpose shall be accomplished by determining which project has the highest priority among the projects for which impact fees were collected, and the fees shall be transferred to the budget of that project. Any interest earned on impact fee installment payments, or on invested monies in the impact fee fund may be pooled and expended on any one or more of the transportation improvements for which impact fees have been collected.

E. Fees may be collected for system improvement costs previously incurred by the city to the extent that new growth and development will be served by the previously constructed improvements; provided such fee shall not be imposed to make up for any system improvement deficiencies.

F. The director is authorized to establish rules and regulations to administer the provisions of this chapter.

Section 10. Section 22.16.095 of the Bellevue City Code is hereby amended as follows:

**22.16.095 Appeal of fees.**

The developer may appeal the determination of the amount of the transportation impact fee, including whether or to what extent an exemption applies or a credit should be provided. The developer must file an appeal with the city clerk within 14

days of the date that notice is given to the developer of the fee. The appeal shall be processed pursuant to the Process II appeal procedures of the LUC 20.35.250 et. seq., now or as hereafter amended. Pending determination on any appeal, a building permit may only be issued if the developer first pays under protest the full amount of the fee, as determined by the ~~department~~director.

Section 11. Section 22.16.110 of the Bellevue City Code is hereby deleted.

**~~22.16.110 Amendments.~~**

~~This Chapter 22.16 BCC, and the impact fee project list may be amended at any time or from time to time to coordinate the impact fee project list with applicable local or regional transportation plans relating to the service area or the region and to otherwise revise the impact fee project list in such manner as the city shall deem necessary and advisable.~~

Section 12. Chapter 22.16 of the Bellevue City Code shall be known as the "Transportation Impact Fee Program."

Section 13. This ordinance shall take effect and be in force five (5) days after adoption and legal publication.

PASSED by the City Council this \_\_\_\_\_ day of \_\_\_\_\_, 2009,  
and signed in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_,  
2009.

(SEAL)

\_\_\_\_\_  
Grant S. Degginger, Mayor

Approved as to form:

Lori M. Riordan, City Attorney

\_\_\_\_\_  
Mary Kate Berens, Deputy City Attorney

Attest:

\_\_\_\_\_  
Myrna L. Basich, City Clerk

1077-ORD  
04/30/09

Published \_\_\_\_\_

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 5872

AN ORDINANCE adopting the impact fee rate schedule, as authorized by Bellevue City Code Section 22.16.085; and establishing an effective date.

WHEREAS, the City's transportation impact fee program authorizes imposition of transportation impact fees based on the methodology established in Bellevue City Code Section 22.16.080; and

WHEREAS, the city council has approved and adopted the Transportation Facilities Plan pursuant to Resolutions 7896 and 7914, which Plan includes the impact fee project list; and

WHEREAS, the director of the transportation department has prepared the transportation impact fee program report, demonstrating a maximum allowable impact fee rate of \$8667 per PM peak hour trip end; and

WHEREAS, the city council finds that establishing phased implementation of impact fee increases is consistent with the authority provided in Bellevue City Code chapter 22.16 and in chapter 82.02 RCW; and

WHEREAS, the city council finds that establishing the impact fee rate schedule as set forth in this ordinance below the maximum allowable rate is in the public interest; and

WHEREAS, this ordinance is exempt from the requirements of the State Environmental Policy Act (SEPA), Chapter 43.21C RCW, and the City's Environmental Procedures Code, BCC 22.02; now, therefore,

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. The report entitled the "Transportation Impact Fee Program for Bellevue Washington, 2009 Update" dated April 2009 and given Clerk's Receiving No. \_\_\_\_\_ is hereby adopted by reference and designated the impact fee program report.

Section 2. Subject to the adjustments, credits and other modifications authorized pursuant to Bellevue City Code chapter 22.16, the following impact fee schedule is adopted pursuant to Bellevue City Code Section 22.16.085 and the rates established in such schedule shall be assessed as follows: commencing on January 1, 2010 until December 31, 2012 the impact fee rate schedule shall be as set forth in the column headed "Impact Fee Rate 1/1/2010"; commencing on January 1, 2013 until December 31, 2015 the rate shall be as set forth in the column headed "Impact Fee Rate 1/1/2013", and commencing on January 1, 2016 and thereafter, subject to

adjustment as set forth in Section 3, the rate shall be as set forth in the column headed "Impact Fee Rate 1/1/2016":

Land Use	Unit of Measure	Impact Fee Rate 1/1/2010	Impact Fee Rate 1/1/2013	Impact Fee Rate 1/1/2016
Cost Per Trip End		\$2,000	\$3,000	\$5,000
<b>Residential</b>				
Single Family	dwelling	\$1,768	\$2,651	\$4,419
Multi-Family	dwelling	\$907	\$1,360	\$2,266
Senior Citizen Dwelling	dwelling	\$224	\$336	\$560
<b>Commercial - Services</b>				
Bank/ S&L without Window	sf/GFA	\$10.55	\$15.83	\$26.38
Bank/ S&L with Window	sf/GFA	\$20.59	\$30.89	\$51.48
Hotel/Motel	room	\$864	\$1,296	\$2,160
Day Care Center	sf/GFA	\$9.35	\$14.02	\$23.36
Service Station w or wo Convenience Mkt	VFP	\$5,118	\$7,677	\$12,795
Quick Lubrication Vehicle Shop	serv pos	\$3,088	\$4,632	\$7,720
Car Wash - Self Service	stall	\$2,881	\$4,321	\$7,202
Movie Theater w/ Matinee	screen	\$44,877	\$67,316	\$112,193
<b>Commercial - Institutional</b>				
Elementary/ Middle School	student	\$222	\$333	\$555
High School	student	\$192	\$289	\$481
Junior College	student	\$200	\$300	\$500
Religious Institution	sf/GFA	\$1.02	\$1.53	\$2.54
Nursing Home	bed	\$308	\$462	\$770
Congregate Care/Assisted Living	dwelling	\$238	\$357	\$595
Medical Clinic	sf/GFA	\$9.32	\$13.99	\$23.31
Hospital	sf/GFA	\$2.28	\$3.42	\$5.70
<b>Commercial - Restaurant</b>				
Quality Restaurant	sf/GFA	\$7.64	\$11.46	\$19.10
High Turnover Restaurant	sf/GFA	\$7.69	\$11.54	\$19.23
Fast Food Restaurant without Window	sf/GFA	\$13.08	\$19.61	\$32.69
Fast Food Restaurant with Window	sf/GFA	\$16.92	\$25.38	\$42.30
<b>Commercial - Retail Shopping</b>				
Shopping Center	sf/GLA	\$2.74	\$4.11	\$6.85
Supermarket	sf/GFA	\$7.17	\$10.75	\$17.92
Convenience Market	sf/GFA	\$13.63	\$20.44	\$34.07
Convenience Market with Gas Pumps	sf/GFA	\$13.58	\$20.37	\$33.95
Discount Supermarket	sf/GFA	\$6.54	\$9.81	\$16.35
Discount Store	sf/GFA	\$3.40	\$5.10	\$8.50
Discount Superstore	sf/GFA	\$2.94	\$4.41	\$7.35
Miscellaneous Retail	sf/GFA	\$1.90	\$2.85	\$4.76
Retail Warehouse (Hardware)	sf/GFA	\$2.09	\$3.13	\$5.21
Retail Warehouse (General Merchandise)	sf/GFA	\$4.75	\$7.12	\$11.87
Furniture Store	sf/GFA	\$0.19	\$0.29	\$0.48
Pharmacy with or without Drive-Through	sf/GFA	\$3.62	\$5.43	\$9.05
Auto Parts Store	sf/GFA	\$2.58	\$3.86	\$6.44
Car Sales - New/ Used	sf/GFA	\$4.77	\$7.15	\$11.91
<b>Commercial - Office</b>				
Office	sf/GFA	\$3.42	\$5.13	\$8.55
Medical/ Dental Office	sf/GFA	\$6.23	\$9.34	\$15.57
<b>Industrial</b>				
Light Industry/Manufacturing	sf/GFA	\$2.47	\$3.71	\$6.18
Industrial Park	sf/GFA	\$2.19	\$3.29	\$5.48
Warehousing	sf/GFA	\$0.82	\$1.22	\$2.04
Mini-Warehouse	sf/GFA	\$0.66	\$0.99	\$1.66
<b>Downtown Land Uses</b>				
Multi-Family	dwelling	\$685	\$1,027	\$1,711
Hotel/Motel	room	\$656	\$984	\$1,640
Office	sf/GFA	\$2.57	\$3.86	\$6.43
Notes:				
sf/GFA = square feet Gross Floor Area		sf/GLA = square feet Gross Leasable Area		
For uses with Unit of Measure given in sf, trip rate is given as trips per 1,000 sf				
VFP = Vehicle Fueling Station (Maximum number of vehicles that can be fueled simultaneously)				
serv pos = Service Position				

Section 3. On January 1, 2017 and annually thereafter, the director of the transportation department shall adjust the impact fee rate schedule by the same percentage amount of change as was included in the most recent amendment to the Washington State Department of Transportation Construction Cost Index. This provision shall apply prospectively only. No transportation impact fee for a specific development shall be increased or decreased once said fee has been paid.

Section 4. The impact fee schedule adopted by Ordinance 5559 shall remain in effect through December 31, 2009.

Section 5. This ordinance shall take effect and be in force five days after adoption and legal publication.

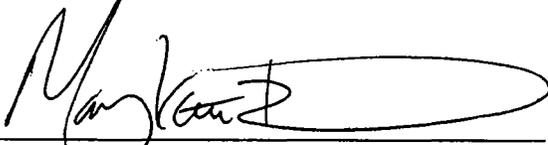
Passed by the City Council this \_\_\_\_\_ day of \_\_\_\_\_, 2009  
and signed in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_,  
2009.

(SEAL)

\_\_\_\_\_  
Grant S. Degginger, Mayor

Approved as to form:

Lori M. Riordan, City Attorney



\_\_\_\_\_  
Mary Kate Berens, Deputy City Attorney

Attest:

\_\_\_\_\_  
Myrna L. Basich, City Clerk

Published \_\_\_\_\_