

ORDINANCE NO. 1401

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, RELATING TO TRANSPORTATION IMPACT FEES; AMENDING THE FORMULA USED BY THE CITY TO CALCULATE TRANSPORTATION IMPACT FEES; ADOPTING A NEW PROJECT LIST AS REQUIRED BY GHMC SECTION 19.12.120 FOR THE CALCULATION OF TRANSPORTATION IMPACT FEES; ESTABLISHING A NEW SCHEDULE OF TRANSPORTATION IMPACT FEES FOR USE BEGINNING ON NOVEMBER 26, 2018; AMENDING SECTIONS 19.12.070 AND 19.12.080 OF THE GIG HARBOR MUNICIPAL CODE; AMENDING APPENDICES A-1 AND A-2 AND REPEALING APPENDIX A-3 TO ORDINANCE NO. 1078; PROVIDING FOR SEVERABILITY AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City adopted a transportation impact fee program codified at chapter 19.12 of the Gig Harbor Municipal Code; and

WHEREAS, Section 19.12.120 of the GHMC requires that the project list for transportation projects be updated on a regular basis; and

WHEREAS, an update to the City's impact fee formula and project list results in the calculation of a new transportation impact fee schedule; and

WHEREAS, the City's SEPA Responsible Official issued a threshold determination of non significance for this Ordinance on July 5, 2018; and

WHEREAS, the City Council held a public hearing and first reading on this Ordinance during its regular City Council meeting of November 13, 2018, and a second reading during its regular City Council meeting of November 26, 2018; now, therefore,

THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, ORDAINS AS FOLLOWS:

Section 1. Section 19.12.070 – Amended. Section 19.12.070 of the Gig Harbor Municipal Code is hereby amended as follows:

19.12.070 Fee schedules and establishment of service area.

A. ~~The impact fee schedule setting forth the amount of the impact fees to be paid by developers are listed in Appendix B for roads and Appendix C for parks is attached as Appendix C to the ordinance codified in this chapter and incorporated herein by this reference.~~

B. The impact fees to be paid by developers for roads shall be as follows:

1. The schedule of peak pm trips shall be in accordance with the most current version of the Institute of Transportation Engineers (ITE) Trip Generation Manual. The impact fee calculation shall be based upon the multiplication of the peak PM trip by the Transportation Impact Fee, and is hereby adopted as the City's Transportation Impact Fee Schedule. All previously-adopted transportation impact fee schedules are repealed.

2. Beginning January 1, 2020, and annually on January 1 thereafter, transportation impact fees shall be adjusted for inflation utilizing the Federal Highway Administration (FHWA) average of the prior rolling five year construction code index. The transportation impact fees shall not be adjusted for inflation should the construction code index remain unchanged.

~~B.C.~~ Impact fees for schools to be paid by developers shall be as follows:

1. The amount of the impact fees to be paid by developers for schools effective February 1, 2015, shall be:

Single-Family Residential	\$3,270 per dwelling unit
Multifamily Residential	\$1,725 per dwelling unit

2. The amount of the impact fee shall automatically be adjusted on April 1st of each subsequent year in accordance with any increase in the Consumer Price Index-U for the Seattle/Tacoma/~~Bremerton~~ Bellevue Standard Metropolitan Statistical area, February to February, and rounded to the nearest \$1.00.

3. At no time shall the school impact fee imposed by the City exceed the impact fee calculation identified in the school district's capital facilities plan adopted by the school district's board of directors.

~~C.D.~~ For the purpose of this chapter, the entire City shall be considered one service area.

Section 2. Section 19.12.080 – Amended. Section 19.12.080 of the Gig Harbor Municipal Code is hereby amended as follows:

19.12.080 Calculation of impact fees.

A. Developer Calculates the Fees. The ~~director~~ developer shall calculate the transportation and park impact fees as set forth in Appendices B and

~~more specifically described in the Gig Harbor six year road plan and the parks, open space and recreation plan~~ GHMC 19.12.070. The director will review the developer's calculations for conformance with GHMC 19.12.070. The superintendent shall calculate the school impact fees as set forth in GHMC 19.12.070. The City Council shall have the final decision on the calculation of ~~the transportation and park impact fees to be imposed under this chapter as set forth in Appendices B and C.~~

B. Factors Used in Impact Fee Calculations. The calculation of impact fees shall include the factors set forth in RCW 82.02.050 through 82.02.090, and shall:

1. Determine the standard fee for similar types of development, which shall be reasonably related to each development's proportionate share of the cost of the projects described in ~~Appendix A, the city's six year road plan~~ Appendix A-1 attached to the most recent ordinance adopting Appendix A-1, incorporated herein by this reference, and for parks shall be calculated as set forth in the most recent version of Appendix C and the parks element of the City's Comprehensive Plan, and for schools shall be as provided in the school district's capital facilities plan;

2. Reduce the proportionate share by applying the benefit factors described in GHMC 19.12.083.

* * *

Section 3. The Project List attached hereto as Appendix A-1 is hereby adopted as the City Transportation Impact Fee Project List, which is a list of projects contained in the City's Transportation Element of the City's Comprehensive Plan, which are growth-related and that should be funded with forecast public moneys and the impact fees already paid. This Project List shall supersede the previous transportation Project List, and all such previously-adopted transportation Project Lists are repealed.

Section 4. The formula attached hereto as Appendix A-2 is hereby adopted as the City's Transportation Impact Fee Formula, which incorporates the requirements of RCW 82.02.050 through 82.02.090 and all other applicable provisions of chapter 19.12 GHMC. All previously-adopted transportation impact fee formulas are repealed.

Section 5. The schedule of transportation impact fees adopted as Appendix A-3 to Ordinance No. 1078 and all previously-adopted transportation impact fee schedules are repealed. The manner of calculation used to establish the schedule of transportation impact fees is set forth in GHMC 19.12.070.

Section 6. Severability. If any section, sentence, clause or phrase of this Ordinance is held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any

other section, clause or phrase of this Ordinance.

Section 7. Effective Date. This ordinance shall take effect and be in full force five (5) days after passage and publication of a summary consisting of the title; provided that applicants who submitted building permit applications for a legal lot of record prior to November 6, 2018 and are issued building permits by the City before December 29, 2018, shall pay the transportation impact fee in effect immediately prior to this ordinance adoption.

PASSED by the City Council and approved by the Mayor of the City of Gig Harbor this 10th day of December, 2018.

APPROVED:




MAYOR, KIT KUHN

ATTEST/AUTHENTICATED:



CITY CLERK, MOLLY M. TOWSLEE

APPROVED AS TO FORM;
OFFICE OF THE CITY ATTORNEY:

BY: 

FILED WITH THE CITY CLERK: 11/19/18
PASSED BY THE CITY COUNCIL: 12/10/18
PUBLISHED: 12/20/18
EFFECTIVE DATE: 12/25/18
ORDINANCE NO: 1401

Appendix A-1

Gig Harbor Transportation Impact Fees

December 2018

TABLE 1: LIST OF TRANSPORTATION CAPACITY PROJECTS

Number	Project	Description	Total Cost (2018\$)
1	Stinson Avenue & Rosedale Street	New roundabout or other appropriate intersection improvements.	\$600,000
2	Borgen Boulevard & SR 16 WB Ramp	Investigate installing meters at interchange roundabout for eastbound traffic. Further study needed on safety and effectiveness.	\$700,000
3	50th Street Court NW	From Olympic Drive NW to 38th Avenue NW, construct a new 2-lane roadway with sidewalks on one or both sides of street, street illumination, on-street parking, and associated storm water and/or LID improvements. This will include replacing the undersized cross culvert.	\$3,400,000
4	Hunt Street NW & Soundview Drive	Intersection improvements (traffic signal or roundabout) and non-motorized improvements, such as crosswalks.	\$1,000,000
5	Stinson Avenue & Harborview Drive	Add a roundabout (or other appropriate improvement) and crosswalks at this T-intersection to improve operations for all users.	\$1,800,000
6	Wollochet Drive NW & Wagner Way	New traffic signal or roundabout.	\$925,000
7	Olympic Drive NW & SR 16 Ramp Terminal Intersections	Signal phasing and channelization.	\$1,400,000
8	Vernhardson Street	Provide the following improvements from Peacock Hill Avenue to Crescent Valley Drive NW: <ul style="list-style-type: none"> • Pavement restoration and/or overlay • Storm sewer infrastructure • Curbs and gutters • Sidewalk(s) • Bicycle lanes • Improved crossing treatment at N Harborview Drive 	\$3,750,000
9	Olympic Drive NW & Spur to Hollycroft Street	Convert from 2-way traffic to 1-way northbound and add angled parking.	\$550,000
10	Rosedale Street NW & Skansie Avenue	Widen to add left-turn lane on east approach.	\$2,200,000
11	Wollochet Drive NW & SR 16 EB Ramp	Add southbound right-turn lane on SR 16 off-ramp.	\$400,000



Appendix A-1

Gig Harbor Transportation Impact Fees

December 2018

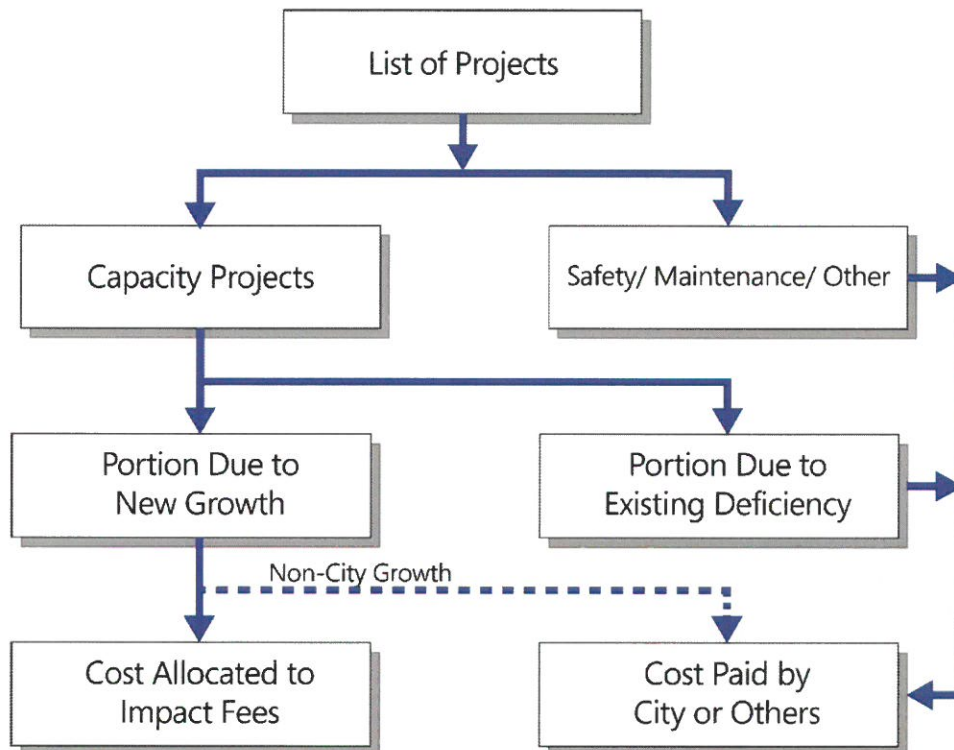
Number	Project	Description	Total Cost (2018\$)
12	Wollochet Drive NW (Kimball Drive to Hunt Street NW)	Reconfigure interchange: <ul style="list-style-type: none">• Widen roadway from Hunt Street to Kimball to provide 11 foot motor vehicle lanes, bicycle lanes, sidewalks, landscaping, and illumination on both sides of the roadway.• Add sidewalks over SR 16 and improved pedestrian crossings.• Potentially reconfigure ramps to improve efficiency.	\$18,000,000
13	Hunt Street NW & Skansie Avenue	New roundabout or other appropriate intersection improvements.	\$1,500,000
14	38th Avenue NW Complete Street	From City limits to Hunt Street, redesign the street to include: 2-3 lanes with turn pockets, bicycle lanes, sidewalks on one side of the roadway, a landscaped buffer next to the sidewalk, curbs and gutters as necessary, sewer and storm improvements, provisions for future lighting, and/or other improvements as deemed necessary.	\$15,000,000
15	Olympic Drive Storage Length	Extend right turn storage length on Olympic Drive (west of Point Fosdick) to 50th Street Court NW.	\$750,000
16	Sehmel Drive NW & Bujacich Road NW	Add left turn lane on Bujacich Road NW by rechannelizing the northbound approach.	\$500,000
			Total \$52,475,000



CHAPTER 3: COST ALLOCATION

The City used an impact fee methodology that distinguishes between facility improvements that address existing deficiencies and those needed to serve new growth. **Figure 3** diagrams the process.

Figure 3: Transportation Impact Fee Cost Allocation Concept



TRANSPORTATION DEFICIENCIES

RCW 82.02.050(4)(a) requires that the capital facilities element of a jurisdiction's comprehensive plan identify "deficiencies in public facilities serving existing development." Future development cannot be held responsible for the portion of added roadway capacity needed to serve existing development.

The City's 2018 Transportation Element establishes a LOS standard that is based on intersection delay. Most intersections are considered deficient if average delay is below LOS D for arterials and collectors. However, some streets are permitted to function at higher levels of delay during the PM peak period. In recognition of other considerations that may impact mobility, such as cost, right of way, and impact on other modes, LOS E is acceptable at the Burnham/Borgen/Canterwood/SR 16 roundabout. Similarly, LOS F is considered acceptable in the "Harbor Area", which includes Harborview Drive, North Harborview Drive, and portions of



Appendix A-2

Gig Harbor Transportation Impact Fees

December 2018

other streets near the waterfront. As shown in **Exhibit A**, three of the intersections on the project list currently exceed the City's LOS standard.

TRAVEL GROWTH

Information from the City's 2018 Comprehensive Plan was used to evaluate the growth in Gig Harbor population and employment. **Table 2** summarizes land uses in Gig Harbor, in terms of households and commercial square footage for the years 2018 and 2030.

Using these land use forecasts and the Gig Harbor travel model as modified for the Gig Harbor Comprehensive Plan, it is estimated that 3,837 new PM peak hour vehicle trip ends would be generated within the City during the 12-year period. This growth in vehicle trip ends was used to calculate the impact fee rates.

TABLE 2: GIG HARBOR LAND USE GROWTH

	2018	2030	Growth	% Growth
Households	4,221	6,093	1,872	44%
Retail	2,818	4,536	1,718	61%

Source: City of Gig Harbor, 2018; Fehr & Peers, 2018

COST ALLOCATION RESULTS

The cost allocation process distributed the growth costs for each project based upon the travel patterns between the different geographic areas within and outside the City limits. The Gig Harbor travel demand model was used for this analysis. A "flow bundle" assignment procedure provided the origin and destination information for each vehicle trip traveling through an impact fee project location. Trips with an origin and destination inside of the City of Gig Harbor are considered internal trips and are counted at a rate of 100%. Trips with an origin inside and a destination outside of Gig Harbor, or vice versa, are counted at a rate of 50%. Trips that pass through Gig Harbor, but do not have any origins or destinations internal to Gig Harbor, were not allocated to Gig Harbor growth.

As shown in **Figure 4**, the impact fees would constitute 37 percent of the total \$52.5 million cost of the improvement projects. Previous impact fee funds collected would contribute 3 percent. City matching funds, new grants, and other sources would contribute the remaining 60 percent of the total project costs.



Appendix A-2

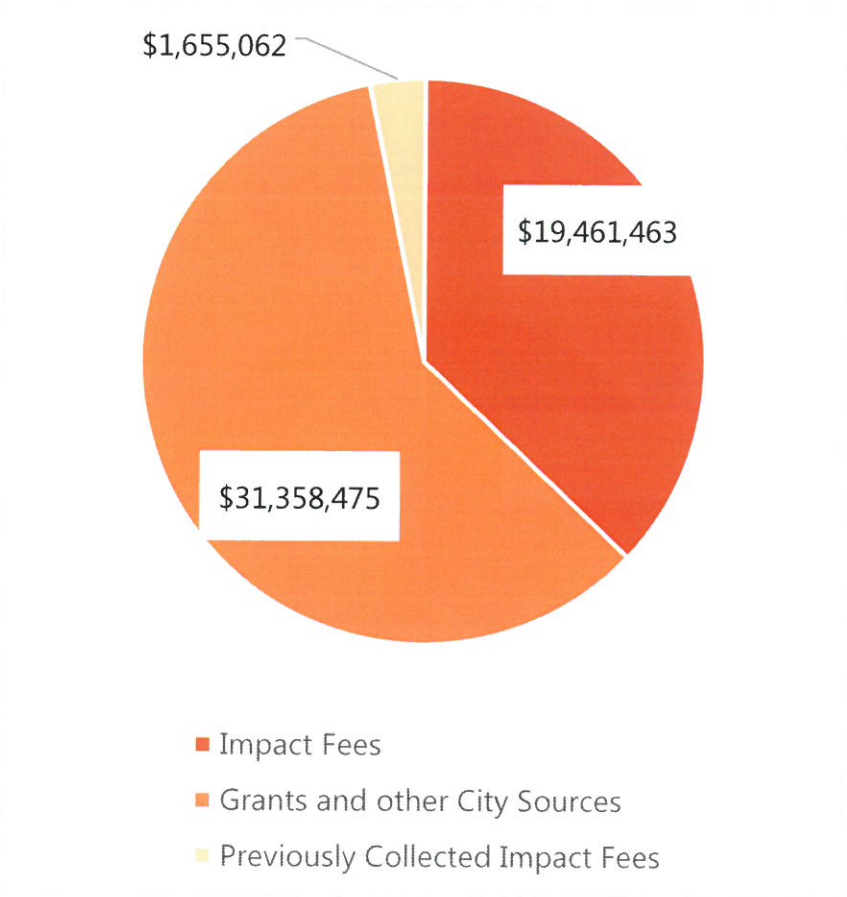
Gig Harbor Transportation Impact Fees
December 2018

The final step in the cost allocation process dealt with calculating the "cost per new trip end" within Gig Harbor, derived by dividing the total eligible project cost by the total number of new PM peak hour trips generated in Gig Harbor between 2018 and 2030.

The analysis produced the following results:

Impact fee costs	\$19,461,463
New PM peak hour trip ends	÷ 3,837
Cost per new trip end	<hr/> = \$5,071

Figure 4: Impact Fee Cost Allocation Results



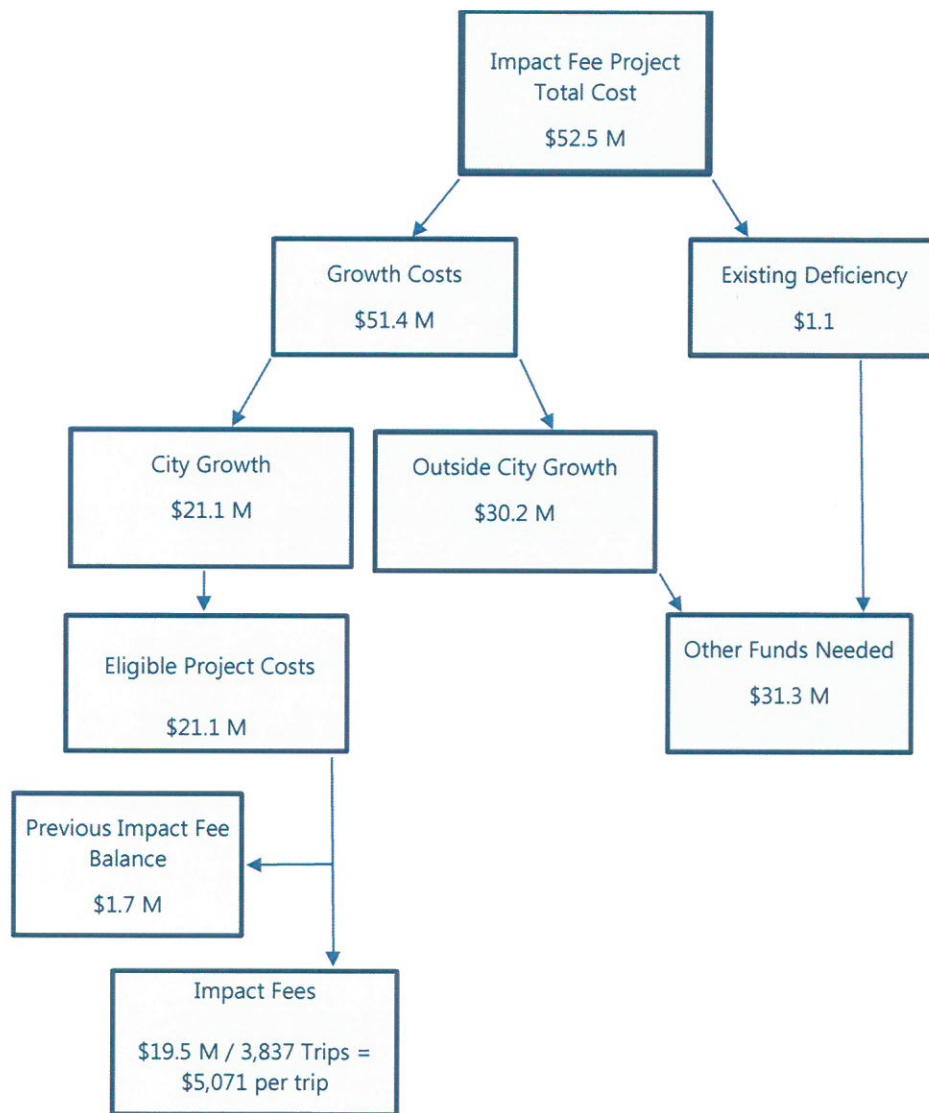
Appendix A-2

Gig Harbor Transportation Impact Fees

December 2018

Figure 5 summarizes the cost allocation results. For discussion purposes, the dollar amounts shown in this figure and the following text descriptions are approximate values expressed in millions of dollars. The actual amounts used in the calculations are accurate to a single dollar.

Figure 5: Transportation Impact Fee Cost Allocation Results



The total cost of the projects on the list is \$52.5 million, as previously shown in Table 1. This was divided into growth costs and existing deficiencies; existing deficiencies account for \$1.1 million, approximately 2% of total project costs. The growth costs were further divided into 'City growth' and 'outside City growth'



Appendix A-2

Gig Harbor Transportation Impact Fees

December 2018

components using the Gig Harbor travel demand model. The details of these calculations are shown in **Exhibits A and B**.

Using this data, the average percent of City growth responsibility equaled 37%. The City growth percentage, applied to the \$52.5 million project list, yielded an amount equal to \$19.5 million to be funded using impact fees (previously collected impact fees totaling \$1.7 million were also considered in the calculations). The remaining \$31.4 million would be expected to be obtained from City funds, grants or other outside sources.

ANNUAL ADJUSTMENTS TO COST PER TRIP RATE

The above section demonstrates the justification for Gig Harbor in setting a cost per PM peak hour trip rate of \$5,071 per trip, as calculated in December 2018. Beginning January 1, 2020, and annually on January 1 thereafter, transportation impact fees shall be adjusted for inflation utilizing the Federal Highway Administration (FHWA) average of the prior rolling five year construction code index. The transportation impact fees shall not be adjusted for inflation should the construction code index remain unchanged. This rolling average allows Gig Harbor's transportation impact fee rate to more closely track fluctuations in construction costs over time.