

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Authorize the City Manager to Execute a Contract Amendment with DKS Associates for Development of a Transportation Impact Fee in Association with the Transportation Master Plan Update

DEPARTMENT: Public Works

PRESENTED BY: Kirk McKinley, Transportation Services Manager
Alicia McIntire, Senior Transportation Planner

PROBLEM/ISSUE STATEMENT:

The purpose of this report is to request Council's authorization to execute a contract amendment with **DKS Associates** for development of a traffic impact fee for the City of Shoreline in association with the Transportation Master Plan (TMP) update. **The maximum, not to exceed, contract amendment is \$110,000**, for a maximum contract amount of \$278,458.

DKS Associates was originally selected through a competitive process to assist the City with traffic modeling and update of the City's concurrency standards in association with the Transportation Master Plan (TMP) update. At the time of the original contract award, Council had not provided direction to staff to pursue development of a transportation impact fee. On August 2, 2010, Council heard a presentation by Randy Young of Henderson, Young and Co. outlining a draft concurrency framework and complementary transportation impact fee for the City. At that meeting, Council directed staff to pursue development of a transportation impact fee in accordance with the outline presented.

This contract amendment will provide the necessary funds to develop a transportation impact fee for the City. This work is expected to be complete by the end of 2011.

FINANCIAL IMPACT:

Funding for the Transportation Master Plan update, including this impact fee development, is identified in the 2011-2016 Capital Improvement Program. Funds from the City's Roads Capital Fund would be utilized to pay for this scope of work. Below is a breakdown of the funding for the existing and proposed DKS Associates contract:

Transportation Master Plan

Project Administration


Contracted Services (Existing)	\$168,458
Contracted Services (This Amendment)	\$110,000
City Costs	\$73,750
Total Project Costs	\$352,208

Project Revenue

Roads Capital Fund	\$352,208
Total Revenue	<u>\$352,208</u>
Project Balance (Revenue-Costs)	\$0

RECOMMENDATION

Staff recommends that Council authorize the City Manager to execute a contract with DKS Associates for the development of a transportation impact fee for the City of Shoreline. The maximum, not to exceed, contract amendment is \$110,000, for a maximum contract amount of \$278,458.

Approved By:  City Manager _____ City Attorney _____

DISCUSSION

The update of the Transportation Master Plan (TMP) began in April 2009 and is anticipated to be completed by mid to late 2011. The project includes the following tasks and products:

- Coordination of City staff, internal and external project teams to complete the work necessary to update the TMP.
- Use of a coordinated and comprehensive approach to gather public input and provide for public involvement in the process.
- Development of an updated computer model that identifies capacity, safety, and multi-modal needs of the City.
- Creation of a prioritized list of capital projects to be used in the development of future Capital Improvement Plans and funding options and strategies to support recommended priorities for improvements.
- Development of a Bicycle & Pedestrian Plan and a Transit Plan.

Current Transportation Funding in Shoreline: Funding for transportation projects in Shoreline comes from many sources. Real estate excise tax, grants, support from the recently established Transportation Benefit District (TBD), the City's general fund and the fee in-lieu program all fund transportation projects in Shoreline. Several of these funding sources are currently designated for specific projects. For example, the funds collected by the TBD are currently being applied towards the City's annual road surface maintenance program. The \$20 license fee was authorized by the TBD for the purpose of preserving, maintaining, and operating the transportation infrastructure of the City. Grant funding is generally awarded for a specific project identified in the grant application. Privately constructed frontage improvements occur in conjunction with some development projects. Revenues for capital projects are currently down significantly from past levels.

As shown in the 2011-2016 Transportation Improvement Program, the City's list of desired transportation projects includes many that are unfunded. This is common in jurisdictions, as the need for transportation improvements is continuous and new projects are needed to maintain existing infrastructure or to accommodate growth.

Paying for the Impacts of Growth: One funding option for construction of transportation improvements not currently employed by the City is a transportation impact fee. The underlying premise of impact mitigation is that development, rather than the general taxpaying public, should be responsible for mitigating the impacts that occur as a result of development. Mitigation of impacts is a one-time payment or improvement by development for the capital costs or facilities needed by new development. Mitigation can be required pursuant to the State Environmental Policy Act (SEPA) or the Growth Management Act (GMA).

SEPA mitigation addresses impacts on adjacent or nearby streets and places the full burden for the mitigation on the development that exceeded the City's acceptable level of service. Small-scale development is exempt from SEPA mitigation. Larger developments must pay for a traffic study that determines their impacts.

GMA impact fee mitigation addresses impacts on all arterial and collector streets in the City, not just the nearest streets. The amount of mitigation is limited to each applicant's proportionate share of the mitigation projects. No development is exempt from GMA mitigation. Each development's impact is determined by standardized trip generation tables and standardized costs per trip, so mitigation costs are predictable in advance, and no development has to pay for traffic studies for impact mitigation. An impact fee program developed by the City would adhere to these requirements.

The majority of cities in our region charge an impact fee associated with development. The fees cover a broad range, depending upon the estimated costs of the transportation improvements that will be needed to accommodate growth. Staff has estimated that if Shoreline had an impact fee system similar to that of Edmonds (which is a relatively modest fee), the City would have collected approximately \$2.2 million over the past ten years. However, because impact fees can only be collected to pay for the impacts of growth, there needs to be another source of funding to cover the costs of correcting any existing deficiencies.

The Draft Transportation Concurrency Framework, prepared by Henderson, Young and Co. (presented in August 2010) outlined a concurrency program that functions best when combined with an impact fee. Concurrency and impact fees are not dependent upon one another – a City can have one without the other. The draft framework allows the City to implement a program that is easy to administer, understandable and predictable for the development community and results in development paying for the improvements needed to mitigate the traffic impacts that occur due to growth. The City will be able to reexamine the need for growth-related transportation improvements as the forecasts for growth change, and adjust the impact fee accordingly.

Under state law, the City is required to have a concurrency standard by which to measure growth. An impact fee is not required but is allowed under state law and is common practice for many jurisdictions.

DKS's Team Experience: DKS has extensive experience working on transportation modeling projects and is developing a new traffic model for Shoreline as part of their existing contract. Using the model currently being created, their team will help identify necessary transportation improvements to accommodate traffic growth in the City. Henderson, Young and Company will continue to serve as a subconsultant for work on the calculation of the impact fees for the City.

FINANCIAL IMPACT: The Transportation Master Plan update is an objective of Council Goal 2 and this project, including this impact fee development, is identified in the 2011-2016 Capital Improvement Program. Funds from the City's Roads Capital Fund would be utilized to pay for this scope of work. This amendment is estimated not to exceed \$110,000, for a maximum contract amount of \$278,458. Below is a breakdown of the funding for the existing and proposed DKS Associates contract:

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RECOMMENDATION

Staff recommends that Council authorize the City Manager to execute a contract amendment with DKS Associates for \$110,000, to develop a transportation impact fee for the City of Shoreline, for a maximum contract amount of \$278,458.

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