

Transportation Impact Fee Program For Sequim, Washington DRAFT 2013 Update

Prepared for:

City of Sequim



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CHAPTER 1. INTRODUCTION

This report summarizes the policy and technical development of the Transportation Impact Fee program for the City of Sequim, Washington.

DEFINITION OF IMPACT FEES

Impact fees are a broad category of charges on new development assessed to pay for capital improvements (e.g., parks, schools, roads, etc.) necessitated by new development. Cities collect transportation impact fees to fund improvements that add capacity to the transportation system accommodating the travel demand added by new development.

The City developed the program based on the following findings:

- Development activity in the City, including residential, commercial, retail, office, and industrial development, will create additional demand and need for public road facilities.
- Sequim is authorized under the state's Growth Management Act (Chapter 82.02.050 RCW) to require new growth and development within the City to pay a proportionate share of the cost of new road facilities serving that new growth and development through the imposition of impact fees.
- Impact fees may be collected and spent for public road facilities needed for system improvements that are included within the capital facilities plan in the City's comprehensive plan.
- Impact fees do not pay for road maintenance and repair. These costs are paid by the City's general street fund.

LEGAL BASIS

The primary enabling mechanism for imposing impact fees in Washington State is the Growth Management Act (GMA). Prior to the passage of the GMA, local agencies primarily relied on the State Environmental Policy Act (SEPA) process to require developers to fund mitigation projects necessitated by new development.

The GMA, passed in 1990, added RCW 82.02.050-100 regarding impact fees and specifically authorized the use of impact fees for jurisdictions planning under the Growth Management Act. The GMA allows impact fees for system improvements that reasonably relate to the impacts of new development, and specifies that fees are not to exceed a proportionate share of the costs of improvements.

The GMA allows impact fees for 'streets and roads'. For purposes of this rate study, the term 'transportation' means 'streets and roads' as identified in the GMA. Street and road projects may include pedestrian, bicycle, and transit facilities consistent with the City's adopted design standards.

For a city to impose GMA impact fees, the following specific provisions are required:

- The city must have an ordinance authorizing impact fees;
- Fees may apply only to improvements identified in a Capital Facilities Plan;
- The agency must establish one or more geographic service areas for fees (Note: due to the size of the City, there will be one service area);
- A formula or other method for calculating impact fees must be established;
- The fees cannot be used to finance the portion of improvements needed to pay for existing capacity deficiencies. (Note: the fees can be used to recoup the cost of improvements already made that address the needs of future development);
- The fees may not be arbitrary or duplicative;
- The fees must be earmarked specifically for eligible transportation improvements and be retained in special interest-bearing accounts;
- Fees may be paid under protest; and,
- Fees not expended within ten years must be refunded with interest.

An accounting system is important to ensure that the impact fees collected are assigned to the appropriate improvement projects and the developer is not charged twice for the same improvement.

GUIDING PRINCIPLES

A set of guiding principles provides consistent direction for development and implementation of the transportation impact fee program. The program should:

- Be legally and technically defensible (provide a nexus to impact);
- Be financially constrained;
- Be fair, consistent and predictable in its development and application;
- Have reasonable rates based on the cost of improvements necessary to accommodate new growth and development under the Comprehensive Plan; and
- Be simple to administer and not preclude other requirements of SEPA such as improvements to address safety issues, access to the development, etc.

IMPACT FEE STRUCTURE

The key steps involved in the impact fee process are shown in **Figure 1**. Steps include developing a list of road improvements and costs, allocating growth-related costs to development within the City (excluding existing capacity deficiencies and development outside the City), and identifying available funding. The remaining costs can be charged as impact fees, which are displayed in the form of a fee schedule. Each step is described in more detail in subsequent sections of this report.

ORGANIZATION OF REPORT

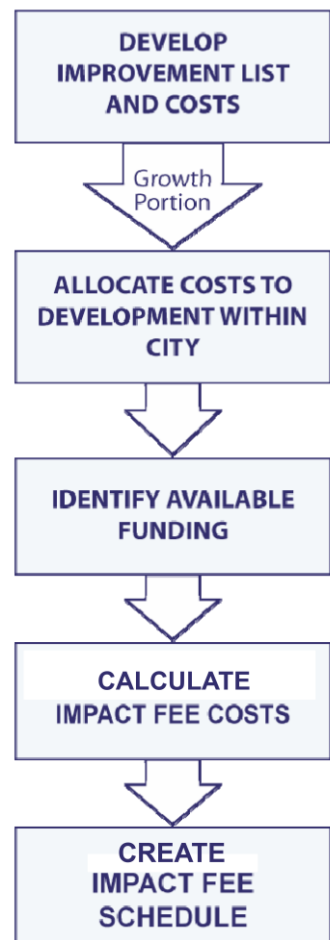
This report includes the following sections:

- Introduction
- Impact Fee Project List
- Cost Allocation
- Impact Fee Schedule

DATA ROUNDING

The data in this study were prepared using computer spreadsheet software. In some tables in this study, there will be very small variations from the results that would be obtained using a calculator to compute the same data. The reason for these insignificant differences is that the spreadsheet software calculated the results to more places after the decimal than is reported in the tables in the report.

Figure 1. Transportation Impact Fee Program Development Steps



CHAPTER 2. IMPACT FEE PROJECT LIST

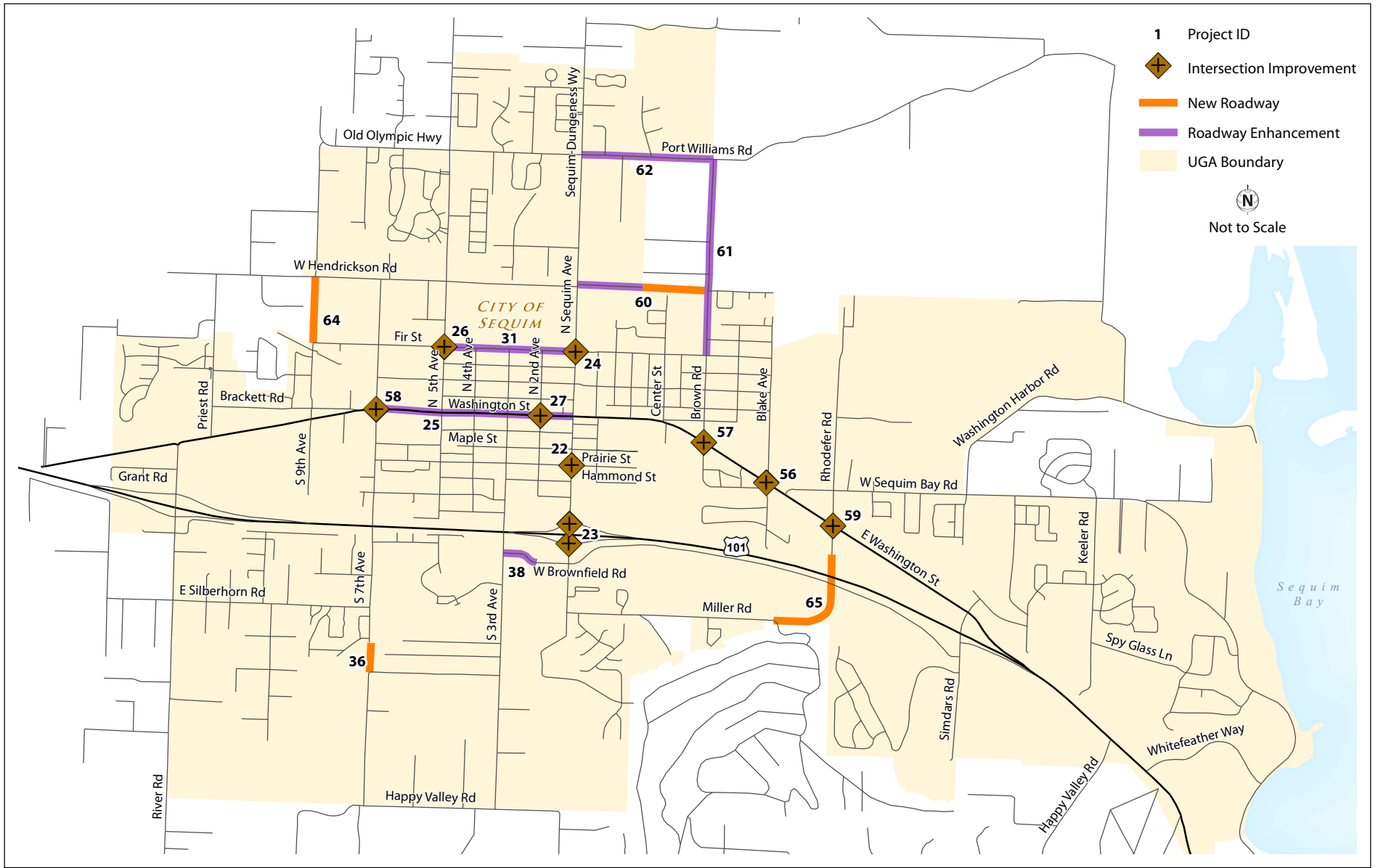
Washington State law RCW 82.02.050 specifies that Transportation Impact Fees are to be spent on 'system improvements.' System improvements can include physical or operational changes to existing roadways, as well as new roadway connections that are built in one location to benefit projected needs at another location. These are generally projects that add capacity to accommodate growth in traffic volumes (new streets, additional lanes, widening, signalization, et al).

The impact fee structure for the City of Sequim was designed to determine the fair share of road improvement costs that may be charged to new developments. During the City's transportation planning process, the City identified projects needed by 2032 to meet the transportation needs of the adopted land use in the Comprehensive Plan. The task was accomplished by examining existing roadway deficiencies and forecasting future needs. The City of Sequim used a cost model to estimate the costs for these capacity improvements. These capital projects form the basis for the impact fees project list, which includes public and private sources.

The impact fee project list was composed of selected capacity projects from the City's Transportation Improvement Program (TIP) and Capital Facilities Plan. The project list, shown in **Table 1** and illustrated as a map in **Figure 2** includes 18 projects, totaling \$19.8 million.

Table 1. Transportation Impact Fee Projects

Project #	Project Group	Project Location	Project Description	Total Cost
22	E	East Prairie Street / Sequim Avenue	Design and construct a fully phased traffic signal	328,000
23	E	Sequim Avenue/SR 101	Design and construct a set of fully phased traffic signals	524,000
24	E	Sequim Avenue/Fir Street	Design and construct a fully phased traffic signal	328,000
25	E	Washington Street from N 7 th Avenue to N Sequim Avenue	Install traffic signal interconnect	66,000
26	C	N 5 th Avenue/Fir Street	Design and construct a fully phased traffic signal	340,000
27	E	Washington Street/2 nd Avenue	Intersection widening and improvements	255,000
31	E	Fir Street from Sequim Avenue to 5 th Street	Roadway widening and improvements	262,000
36	D	South 7 th Avenue	New construction which includes curbs, sidewalk, paving, drainage, streetscape and landscape	2,900,000
38	E	West Brownfield Road Realignment	Realignment, widening, curb and gutter, and sidewalk	990,000
56	C	Washington Street/Blake Road	Potential roundabout or other intersection improvement	1,275,000
57	C	Washington Street/Brown Road	Potential roundabout or other intersection improvement	846,000
58	B	Washington Street/7 th Avenue	Intersection improvements	1,224,000
59	C	Washington Street/Rhodefer Road	Design and construct a fully phased traffic signal	300,000
60	A	Hendrickson Road	Extension from N Brown Road to Sequim Avenue	1,100,000
61	A	Brown Road from Fir Street to Hendrickson Street	Roadway Widening/reconstruction	663,000
62	A	Port Williams Road	Widening – pave to full 38 foot width and provide paved trail	650,000
64	B	North 9 th Avenue	New construction which includes paving, sidewalk, water, sewer, curbs, gutters, and drainage	1,779,000
65	C	US 101 at Rhodefer Road	New Road Overpass (<i>specific location subject to future study</i>)	6,000,000
Total				\$19,830,000

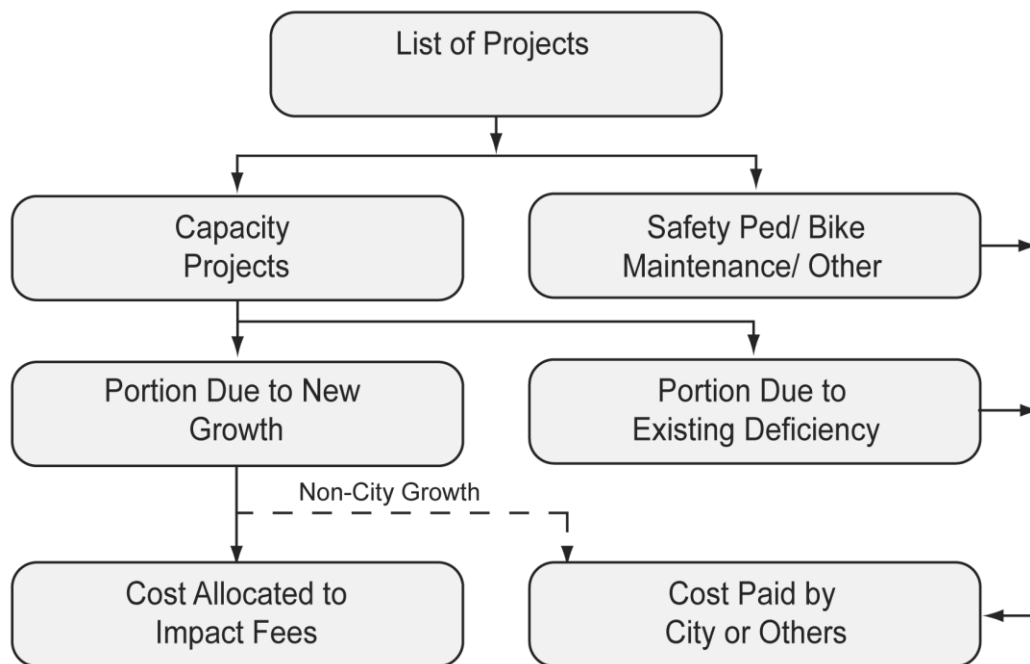


CHAPTER 3. COST ALLOCATION

METHODOLOGY

The City used an impact fee methodology that distinguished between facility improvements that address existing deficiencies and those needed to serve new growth. For growth-related projects, this method assumes that traffic generated by future development is the reason for the improvement project(s). **Figure 3** diagrams the process.

Figure 3. Impact Fee Cost Allocation Concept



The following sections describe each step in the process.

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.’ Under the GMA, future development cannot be held responsible for the portion of added roadway capacity needed to serve existing development.

To adequately assess both the extent of the existing roadway deficiencies and the magnitude of the future needs on arterial roadways, the City developed a standard evaluation criterion. A criterion was selected to be uniform, consistent, and easily applied to the available roadway traffic volume data.

This criterion was defined as the average vehicular delay at intersections. The intersection delay standards are documented as level of service (LOS) D in the City’s *Transportation*

Element of the Comprehensive Plan. The Transportation Research Board’s Highway Capacity Manual defines LOS D as 25 to 35 seconds of delay for unsignalized intersections and 35 to 55 seconds of delay for signalized intersections.

Using this methodology, one project was found to have existing deficiencies with delays greater than the City’s standards when the Impact Fee Program was originally created in 2010. **Table 2** summarizes the analysis findings.

Next the City needed to determine the “existing deficiency portion” (as opposed to the portion that would be attributable to new growth). Under the GMA, the City is responsible for financing the existing deficiency portion, but the City can charge new development for the remainder of the roadway improvement. The City can select from several approaches to proportionately allocate the cost. The Sequim Impact Fee Program uses a method based on the amount of excess “existing and future new traffic” that exceeds the current capacity of the roadway facility. The formula for determining the existing deficiency percentage is as follows:

$$\text{Existing Deficiency Percentage} = (\text{Existing Delay} - \text{Delay Standard}) \div (\text{Existing Delay} - \text{Improved Condition Delay})$$

For example, the existing deficiency is calculated as follows.

Existing Deficiency Percentage:

$$(200 - 35) \div (200 - 10.7) = 87.2 \text{ percent}$$

Using this formula, 87.2 percent of the roadway improvement capacity need is attributed to addressing deficiencies caused by existing traffic.

To calculate the existing deficiency portion of the total project cost, the total project cost (from Table 2) is multiplied by the existing deficiency percentage. For project # 24, the total project cost of \$328,000 is multiplied by 87.2 percent resulting in \$286,000 to address the existing deficiency.

Table 2. Transportation Deficiency Calculation

Project #*	Project	How Project Addresses Existing Deficiency	2009 Delay (Seconds) With Existing Design	Delay Standard	2009 Delay (Seconds) With Improvement	Percent Deficient
24	Sequim Avenue/Fir Street Traffic Signal	Eastbound and westbound stop-controlled movements are improved with new traffic signal.	200	35	10.7	87.2%

* Refer to Figure 2

TRAVEL GROWTH

The City used a 20-year land use growth estimate to forecast the future traffic volumes. **Table 3** shows the land use forecasts for the City of Sequim in terms of single family housing, multi family housing and commercial square footage for the years 2012 and 2032.

The housing and commercial growth estimates were converted to PM peak hour vehicle trip ends¹ using trip generation rates from the Institute of Transportation Engineers (ITE) *Trip Generation* (8th Edition, 2008). Using these rates, we estimate that development in the City will result in 6,159 new PM peak hour vehicle trip ends. It is this growth in vehicle trips associated with City development that forms the basis for the impact fee rates.

Table 3. City of Sequim Land Use Growth

Land Use Type	2012	2032	Estimated Growth 2012 to 2032
Single Family Households	2,697	4,220	1,253
Multi Family Households	1,070	1,905	835
Commercial (square feet)	2,230,943	3,274,943	1,044,000

Source: Census 2010, City of Sequim, 2012

COST ALLOCATION RESULTS

The cost allocation process distributes the growth costs for each project based upon the travel patterns within and outside the City limits. The City’s traffic model was used to perform a ‘select link’ assignment. A select link assignment provides origin and destination information for each vehicle trip traveling through a particular improvement project group. The grouping of projects for the select link assignments is shown in the second column of Table 1. Trips that pass through Sequim, but do not have any origins or destinations

1-A vehicle trip travels between an origin and a destination. Each vehicle trip has two trip ends, one each at the origin and destination. Trip ends represent the traffic coming to and from a given land use. The trip ends were calculated with trip generation formulas used by the *Institute of Transportation Engineers*.

internal to Sequim, were not allocated to Sequim growth. Trips that have one end in Sequim and the other end outside of Sequim were allocated 50 percent to Sequim growth.

Figure 4 summarizes the cost allocation results. For discussion purposes, the dollar amounts shown in this figure and the following text are approximate values expressed in million dollars. The actual amounts used in the calculations are accurate to a single dollar.

The total cost of the capacity projects on the capacity project list is \$19.8 million as shown in Table 1. The City has previously collected SEPA funds equaling \$0.13 million, which leaves a need for \$19.7 million. The remaining \$19.7 million was divided into growth costs and existing deficiencies, with the growth costs representing \$19.4 million, or 98 percent of the total costs. This cost is referred to as the ‘growth share of costs’.

The \$19.4 million was then split into ‘city growth’ and ‘outside city growth’ components using the City’s traffic model. **Appendix A - Exhibit A-1** shows the details of this calculation. Using these data, the average percent of ‘city growth’ equaled 71 percent. The ‘city growth’ excludes all trips that pass through Sequim and 50 percent of the trips with one end in Sequim and the other end outside of Sequim. The 71 percent applied to the \$19.4 million of needed funds, yields an amount equal to \$13.8 million. This is the maximum allowable amount that can be charged to new development using impact fees.

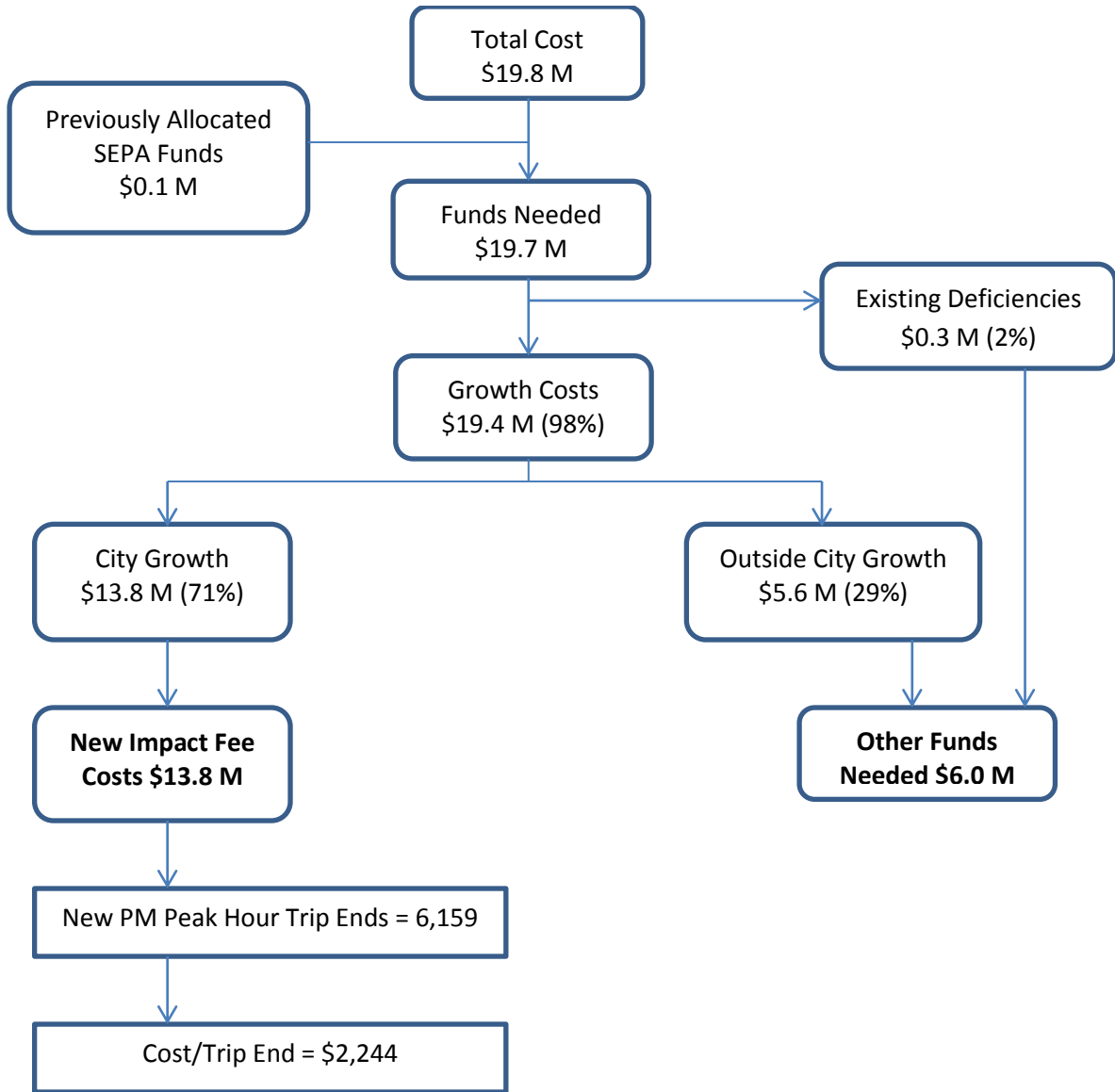
If the maximum allowable impact fees were implemented, an additional \$6.0 million in other funds would be needed to cover existing deficiencies and growth occurring outside the City. Current City revenues, Federal and State Grants, and Transportation Benefit District revenues would comprise the funding package. Transportation Benefit District revenues will not be used for growth within the City of Sequim.

The final step in the cost allocation process dealt with calculating the ‘cost per new trip end’ within Sequim, derived by dividing the total eligible project cost by the total number of new PM peak hour trip ends based in Sequim. A total of 6,159 new PM peak hour vehicle trip ends are estimated to occur within the City between 2012 and 2032. The analysis produced the following results.

Impact fee costs	\$ 13,822,000
Divided by:	
PM peak hour trip ends	÷ 6,159
Equals:	
Impact fee per PM peak hour trip end	\$ 2,244

The \$2,244 cost per trip end represents the maximum allowable rate to meet the GMA requirements. The maximum allowable cost per trip end will be converted into a cost per land use unit in the impact fee schedule described in the next section.

Figure 4. Impact Fee Cost Allocation Results (2012-2032)



CHAPTER 4. IMPACT FEE SCHEDULE

The impact fee schedule consists of impact fee rates for various types of land uses within the city. For ease of understanding by developers and administrative application, the impact fee rates are expressed in land use terms, such as cost per dwelling unit or cost per square foot.

The impact fee rate for a particular land use type was calculated by multiplying the 'cost per trip end' times the trip generation rate for that land use. The result of this calculation is a 'cost per land use unit', represented in the impact fee schedule as the 'impact fee rate'.

As documented in the previous Cost Allocation Chapter, \$2,244 per new PM peak hour trip end represents the maximum allowable cost per trip end. Using this result, the formula for calculating the impact fee rate is as follows:

$$\text{Impact Fee Rate} = \text{Cost per Trip End } (\$2,244) \times \text{Trip Generation}$$

The trip generation portion of the formula is comprised of three components: basic trip rate, 'new' trip percentage, and trip length adjustment. The formula for calculating trip generation for each land use is as follows:

$$\text{Trip Generation} = \text{Basic Trip Rate (A)} \times \text{'New' Trip \% (B)} \times \text{Trip Length Adjustment (C)}$$

Each of these components is discussed below and shown in **Table 4**.

TRIP GENERATION COMPONENTS

Basic Trip Rate (A)

Trip generation rates for each land use type were derived from the Institute of Transportation Engineers (ITE) *Trip Generation* (9th Edition). The rates are expressed as vehicle trips entering and leaving a property during the PM peak hour.

'New' Trip Percentage (B)

Trip generation rates represent the total traffic entering and leaving a property at the driveway points. For certain land uses (e.g., retail), a substantial amount of this traffic is already passing by the property and merely turns into and out of the driveway. These pass-by trips do not constitute additional trips on the surrounding street system and therefore are subtracted out prior to calculating the impact fee. The resulting trips are considered 'new' to the street system and are therefore subject to the impact fee calculation. The 'new' trip percentages are derived partially from ITE data and from available surveys conducted around the country.²

²-Trip Generation Sources: ITE *Trip Generation* (9th Edition); ITE *Trip Generation Handbook*, (September 2012); Pinellas County (FL) *Impact Fee Study* (1991), Osceola County (FL), *Alternative Traffic Generation Rate Study* (2004), Polk County (FL) *Transportation Impact Fee Study* (2005).

Trip Length Adjustment (C)

Another variable that affects traffic impacts is the length of the trip generated by a particular land use. The “cost per trip” calculated in the impact fee program represents an average for all new trips generated within Sequim. However, specific land uses generate trips of different lengths. If a given trip length is shorter than the average, then its relative traffic impacts on the street system will be lower than average. Conversely, longer trips will impact a larger proportion of the transportation network. To account for these differences, an adjustment factor is used, calculated as the ratio between the trip length for a particular land use type and the “average” trip length for the city. Trip length data were estimated using national survey results². These national data showed average trip lengths of around 3.1 miles. The average trip length estimated for Sequim is 1.8 miles, based upon the 2032 mix of land use types within the study area and the geographic size of the city. To better reflect Sequim’s conditions, the trip lengths were proportionally reduced to match the 1.8 mile average.

SCHEDULE OF RATES

Table 4 shows the various components of the impact fee schedule and the impact fee rate for each land use using the maximum allowable rates. In the fee schedule, fees are shown as dollars per unit of development for the land use categories, as defined in **Appendix B**. The impact fee program is flexible in that if a use does not fit into one of the categories, the City may calculate an impact fee based on the development’s projected trip generation.

Table 5 also shows the impact fee schedule using maximum allowable rates but does not include the components.

Table 6 provides two examples (residential and office) of the impact fee rate calculation.

DOWNTOWN SEQUIM IMPACT FEE RATE REDUCTIONS

While the entire City of Sequim constitutes one zone, Downtown Sequim has higher densities of development, a greater mix of land use types, and is closer to available transit services than the rest of the City. These characteristics result in lower trip generation rates and shorter trip length for select land uses. As a result, the City can reduce the impact fee rates for downtown. The downtown area where these rates apply is bordered by 5th Avenue on the west, Brown Road on the east, Fir Street on the north and US-101 on the south. It includes parcels on both sides of the boundary streets.

The *ITE Trip Generation* report and data from national sources (including *NCHRP 323*) were used to determine the lower trip generation rates within the downtown. These data also show that average trip lengths are reduced to and from activity centers such as Downtown Sequim. Trip generation rates were adjusted down by 10% for residential uses, 18% for commercial uses (banks, restaurants, etc.), and 25% for general and medical offices. Reduced rates are shown in Table 4. In addition, trip lengths were reduced by 10%.

In conjunction with these rate adjustments, a new category termed Downtown Services/Retail was created. The mix of uses and trip generation characteristics of

downtown were assumed to be comparable to a large-scale shopping center. Shopping centers typically include various types of retail and services, whose trip rates are included within the shopping center average rate. The 18% trip generation reduction for commercial uses was applied to this category.

Table 4. Impact Fee Schedule Components

Land Use	ITE Land Use Code	Unit of Measure	Basic Trip Rate Trips/Unit (A)	New Trip % (B)	New Trip Rate	Avg. Trip Length (miles)	Trip Length Adjustment Factor (C)	Impact Fee Rate
						Avg=1.8		Cost per Trip End = \$2,244
Residential								
Single Family (Detached)	210	dwelling	1.00	100%	1.00	2.0	1.11	\$2,491
Multi-Family	220, 221, 230, 233	dwelling	0.62	100%	0.62	2.1	1.17	\$1,628
Senior Housing	251	dwelling	0.27	100%	0.27	1.6	0.89	\$539
Mobile Home in MH Park	240	dwelling	0.59	100%	0.59	1.6	0.89	\$1,178
Commercial - Services								
Drive-in Bank	912	sf/GFA	24.30	60%	15.49	0.9	0.50	\$16.36
Hotel	310	room	0.60	100%	0.59	2.3	1.28	\$1,723
Motel	320	room	0.47	100%	0.47	2.3	1.28	\$1,350
Day Care Center	565	sf/GFA	12.34	75%	9.35	1.2	0.67	\$13.91
Library	590	sf/GFA	7.30	75%	5.48	1.0	0.56	\$6.88
Post Office	732	sf/GFA	11.22	75%	8.34	1.0	0.56	\$10.57
Service Station	944	VFP	13.87	40%	5.55	1.0	0.56	\$6,972
Service Station with Minimart	945	sf/GFA	97.47	30%	29.12	1.0	0.56	\$36.75
Auto Care Center	942	sf/GLA	3.11	70%	2.37	1.3	0.72	\$3.52
Movie Theater	444, 445	seat	0.07	85%	0.06	1.3	0.72	\$96.13
Health Club	492, 493	sf/GFA	3.53	75%	2.65	1.8	1.00	\$5.94
Commercial - Institutional								
Elementary School	520	sf/GFA	1.21	80%	0.97	1.0	0.56	\$1.22
Middle/Jr High School	522	sf/GFA	1.19	80%	0.95	1.6	0.89	\$1.90
High School	530	sf/GFA	0.97	80%	0.78	2.1	1.17	\$2.04
Assisted Living, Nursing Home	254, 620	bed	0.22	100%	0.22	1.6	0.89	\$439
Church	560	sf/GFA	0.55	100%	0.55	2.1	1.17	\$1.44
Hospital	610	sf/GFA	0.93	80%	0.91	2.3	1.28	\$2.14
Commercial - Restaurant								
Restaurant	931	sf/GFA	7.49	60%	4.49	2.0	1.11	\$11.19
High Turnover Restaurant	932	sf/GFA	9.85	60%	6.69	1.3	0.72	\$9.55
Fast Food Restaurant	934	sf/GFA	32.65	50%	16.92	1.2	0.67	\$24.54
Espresso with Drive-Through	938	sf/GFA	75.00	20%	15.00	1.2	0.67	\$22.55
Commercial - Retail Shopping								
Shopping Center	820	sf/GLA	3.71	70%	2.71	1.2	0.67	\$3.90
Supermarket	850	sf/GFA	9.48	75%	7.88	1.2	0.67	\$10.69
Convenience Market	851	sf/GFA	52.41	45%	23.58	0.8	0.44	\$23.29
Free Standing Discount Store	813, 815, 857, 863, 864	sf/GFA	4.60	70%	3.27	1.2	0.67	\$4.84
Hardware/Paint Store	816	sf/GFA	4.84	40%	1.94	1.0	0.56	\$2.43
Variety Store	814	sf/GFA	6.82	50%	1.36	1.0	0.56	\$4.29

Table 4. Impact Fee Schedule Components (Continued)

Land Use	ITE Land Use Code	Unit of Measure	Basic Trip Rate Trips/Unit (A)	New Trip % (B)	New Trip Rate	Avg. Trip Length (miles)	Trip Length Adjustment Factor (D)	Impact Fee Rate
						Avg=1.8		Cost per Trip End = \$2,244
Commercial - Retail Shopping (Continued)								
Furniture Store	890	sf/GFA	0.45	60%	0.27	1.0	0.56	\$0.34
Home Improvement Superstore	862	sf/GFA	2.33	70%	1.63	1.2	0.67	\$2.45
Pharmacy with Drive-Through	881	sf/GFA	9.91	50%	4.96	1.0	0.56	\$6.23
Car Sales -New/ Used	841	sf/GFA	2.62	80%	2.10	2.3	1.28	\$6.02
Commercial - Office								
General Office	710, 715, 750	sf/GFA	1.49	90%	1.34	2.3	1.28	\$3.85
Medical Office	720	sf/GFA	3.57	75%	2.68	2.3	1.28	\$7.69
Research, Development Center	760	sf/GFA	1.07	90%	0.96	2.3	1.28	\$2.77
Industrial								
Light Industry	110	sf/GFA	0.97	100%	0.97	2.3	1.28	\$2.79
Heavy Industry, Manufacturing	120, 140	sf/GFA	0.68	100%	0.68	2.3	1.28	\$1.95
Mini-Warehouse/Storage	151	sf/GFA	0.26	100%	0.26	2.3	1.28	\$0.75
Warehousing	150	sf/GFA	0.32	100%	0.32	2.3	1.28	\$0.92
Downtown Fees								
Multifamily Residential	220, 221, 230, 233	dwelling	0.56	100%	0.56	1.9	1.06	\$1,332
Senior Housing	251	dwelling	0.24	100%	0.24	1.4	.78	\$420
Downtown Services/Retail	820	sf/GLA	3.04	70%	2.13	1.1	.61	\$2.92
General Office	710, 715, 750	sf/GFA	1.12	90%	1.01	2.1	1.17	\$2.65
Medical Office	720	sf/GFA	2.68	75%	2.01	2.1	1.17	\$5.28

Notes:

- GFA = Gross Floor Area
- GLA = Gross Leasable Area
- For uses with Unit of Measure in sf, trip rate is given as trips per 1,000 sf
- VFP = Vehicle Fueling Positions (Maximum number of vehicles that can be fueled simultaneously)
- Downtown Services/Retail include Retail Stores, Restaurants, Supermarkets, Convenience Markets, Banks, Health Clubs, Day Cares, and Libraries.

Table 5. Impact Fee Schedule (Maximum Allowable Rates)

Land Use	ITE Land Use Code	Unit of Measure	Impact Fee Rate
			Cost per Trip End = \$2,244
Residential			
Single Family (Detached)	210	dwelling	\$2,491
Multi-Family	220, 221, 230, 233	dwelling	\$1,628
Senior Housing	251	dwelling	\$539
Mobile Home in MH Park	240	dwelling	\$1,178
Commercial - Services			
Drive-in Bank	912	sf/GFA	\$16.36
Hotel	310	room	\$1,723
Motel	320	room	\$1,350
Day Care Center	565	sf/GFA	\$13.91
Library	590	sf/GFA	\$6.88
Post Office	732	sf/GFA	\$10.57
Service Station	944	VFP	\$6,972
Service Station with Minimart	945	sf/GFA	\$36.75
Auto Care Center	942	sf/GLA	\$3.52
Movie Theater	444, 445	seat	\$96.13
Health Club	492, 493	sf/GFA	\$5.94
Commercial - Institutional			
Elementary School	520	sf/GFA	\$1.22
Middle/Jr High School	522	sf/GFA	\$1.90
High School	530	sf/GFA	\$2.04
Assisted Living, Nursing Home	254, 620	bed	\$439
Church	560	sf/GFA	\$1.44
Hospital	610	sf/GFA	\$2.14
Commercial - Restaurant			
Restaurant	931	sf/GFA	\$11.19
High Turnover Restaurant	932	sf/GFA	\$9.55
Fast Food Restaurant	934	sf/GFA	\$24.54
Espresso with Drive-Through	938	sf/GFA	\$22.55
Commercial - Retail Shopping			
Shopping Center	820	sf/GLA	\$3.90
Supermarket	850	sf/GFA	\$10.69
Convenience Market	851	sf/GFA	\$23.29
Free Standing Discount Store	813, 815, 857, 863, 864	sf/GFA	\$4.84
Hardware/Paint Store	816	sf/GFA	\$2.43
Variety Store	814	sf/GFA	\$4.29

Table 5. Impact Fee Schedule (Maximum Allowable Rates) Continued

Land Use	ITE Land Use Code	Unit of Measure	Impact Fee Rate
			Cost per Trip End = \$2,244
Commercial - Retail Shopping (Continued)			
Furniture Store	890	sf/GFA	\$0.34
Home Improvement Superstore	862	sf/GFA	\$2.45
Pharmacy with Drive-Through	881	sf/GFA	\$6.23
Car Sales -New/ Used	841	sf/GFA	\$6.02
Commercial - Office			
General Office	710, 715, 750	sf/GFA	\$3.85
Medical Office	720	sf/GFA	\$7.69
Research, Development Center	760	sf/GFA	\$2.77
Industrial			
Light Industry	110	sf/GFA	\$2.79
Heavy Industry, Manufacturing	120, 140	sf/GFA	\$1.95
Mini-Warehouse/Storage	151	sf/GFA	\$0.75
Warehousing	150	sf/GFA	\$0.92
Downtown Fees			
Multifamily Residential	220, 221, 230, 233	dwelling	\$1,332
Senior Housing	251	dwelling	\$420
Downtown Services/Retail	820	sf/GLA	\$2.92
General Office	710, 715, 750	sf/GFA	\$2.65
Medical Office	720	sf/GFA	\$5.28

- Notes:
- GFA = Gross Floor Area
- GLA = Gross Leasable Area
- For uses with Unit of Measure in sf, trip rate is given as trips per 1,000 sf
- VFP = Vehicle Fueling Positions (Maximum number of vehicles that can be fueled simultaneously)

Table 6. Example Calculations of Impact Fee Rate (Maximum Allowable Rate)

	Calculations	Residential: Single Family	Commercial Office
	PM Peak Hour Trip Generation (per unit) ¹	1.0/ dwelling	1.49/ 1,000 sq ft
x	Percent New Trips	100%	90%
x	New Trip Rate	= 1.0/ dwelling	= 1.34/ 1,000 sq ft
	Trip Length (miles)	2.0	2.3
÷	÷	÷	÷
	Average Trip Length (miles)	1.8	1.8
x	Trip Length Adjustment	= 1.11	= 1.28
x	Average Cost per Trip End	\$2,244	\$2,244
÷	Divide by 1,000 for rate per square foot	NA	1,000
=	Impact Fee Rate (per unit)	\$2,491/ dwelling	\$3.85/ sq ft

¹ ITE Trip Generation, 9th Edition, 2012

APPENDIX A – COST ALLOCATION RESULTS

The cost allocation results are summarized in this Appendix. **Exhibit A-1** illustrates how the impact fee project costs (shown in Table 1) were divided into growth-related costs attributable to the City. In order to determine this proportion, the City’s travel demand model was used to identify the portion of trip-making associated with existing and growth-related traffic. A technique called ‘select-link’ analysis was used to isolate the vehicle trips using each of the impact fee projects. The first column of Exhibit A-1 shows several ‘project groups’, which represent the grouping of impact fee projects used in the select link traffic forecasts. Each project group includes impact fee projects that are located within close proximity to each other, representing similar traffic patterns. The grouping of projects is shown at the bottom of Exhibit A-1.

Exhibit A-1. Cost Allocation by Project Group

Project Group #	Project Costs (Total)	Existing Deficiency Portion	Project Costs minus Deficiencies and SEPA Mitigations	Percent of New Project Traffic due to Growth within City and UGA	Project Costs Attributable to Growth within City and UGA
A	\$2,413,000	\$0	\$2,413,000	53%	\$1,280,000
B	\$3,343,000	\$0	\$3,343,000	75%	\$2,511,000
C	\$8,421,000	\$0	\$8,421,000	70%	\$5,927,000
D	\$3,890,000	\$0	\$3,890,000	83%	\$3,246,000
E	\$1,762,000	\$286,000	\$1,476,000	64%	\$883,000
SEPA Adjustment			\$(130,000)		\$(130,000)
Total	\$19,829,000	\$286,000	\$19,413,000	71.2%	\$13,822,000
Project Costs Allowable for Impact Fees within City				71.2%	\$13,822,000
New PM Peak Hour Trip Ends in City					6,159
Cost Per PM Peak Hour Trip End					\$2,244

Project Group Definitions (used for grouping projects for travel modeling)

A	North Sequim - Brown Rd, Port Williams Rd
B	West Sequim - W Hammond St Ext, N 9 th Ave
C	East Sequim – Rhodefer Rd, Washington St Intersections
D	South Sequim – W Brownfield Rd, N 7 th Ave
E	Downtown Sequim – Sequim Ave Intersections

APPENDIX B – LAND USE DEFINITIONS

The following land use definitions are derived from the ITE *Trip Generation* (9th Edition). They have been modified as appropriate for the City of Sequim. Where multiple land use codes are listed, the code marked with an asterisk (*) was selected for use in the Impact Fee Schedule. Rates for other land uses were selected as indicated in the definitions.

RESIDENTIAL

Single Family: One or more detached housing units located on an individual lot. Also includes accessory dwelling units and duplexes. (ITE # 210)

Multi Family: A building or buildings designed to house three or more families living independently of each other. Includes apartments, condos, attached duplexes and attached townhouses. Includes accessory dwelling units (separate structure) and single room occupancy, if additional parking provided. (ITE #s 220*, 221, 230, and 233)

Senior Housing: Residential units similar to apartments or condominiums restricted to senior citizens. (ITE # 251. Uses 50 percent of trip generation values used for ITE #s 220*, 221, 230, and 233)

Mobile Home (in Mobile Home Park): Trailers shipped, sited, and installed on permanent foundations within a mobile home park. (ITE # 240)

COMMERCIAL-SERVICES

Drive-in Bank: A free-standing building, with or without a drive-up window, for the custody or exchange of money, and for facilitating the transmission of funds. (ITE # 912)

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

Motel: A place of lodging providing sleeping accommodations. Motels generally offer free on-site parking, little or no meeting space, and may have exterior corridors. (ITE # 320)

Day Care Center: A facility for the care of infant and preschool age children during the daytime hours. Generally includes classrooms, offices, eating areas, and a playground. (ITE # 565)

Library: A public facility for the use, but not sale, of literary, musical, artistic, or reference materials. (ITE # 590)

Post Office: Houses service windows for mailing packages and letters, post office boxes, offices, vehicle storage areas, and sorting and distribution facilities for mail. (ITE # 732)

Service Station: A facility used for the sale of gasoline, oil, and lubricants. May include areas for servicing, repairing, and washing vehicles. (ITE # 944)

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

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

Movie Theater: Consists of audience seating, one or more screens and auditoriums, and a lobby and refreshment stand. Typically includes matinee showings. (ITE #s 444*, 445)

Health Club: Privately owned facilities that primarily focus on individual fitness or training. They generally offer exercise or dance classes, weightlifting, fitness and gymnastics equipments, spas, massage services, locker rooms and small restaurants or juice/snack bars. These may also include ancillary facilities, such as swimming pools, whirlpools, saunas and tennis. (ITE #s 492*, 493)

COMMERCIAL-INSTITUTIONAL

Elementary School: These are facilities of education serving students attending kindergarten through fifth or sixth grade. (ITE # 520)

Junior High School: These are facilities of education serving students who have completed elementary school and have not yet entered high school. (ITE #s 522)

High School: High Schools serve students who have completed middle or junior high school. (ITE # 530)

Assisted Living, Nursing Home: One or more multi-unit buildings designed for the elderly or those who are unable to live independently due to physical or mental handicap. Facilities may contain dining rooms, medical facilities, and recreational facilities. The primary function of a nursing home is to provide chronic or convalescent care for persons who by reason of illness or infirmity are unable to care for themselves. Applies to rest homes, chronic care, and convalescent centers. (ITE #s 254* and 620)

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

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

COMMERCIAL-RESTAURANT

Restaurant: An eating establishment, which sells prepared food or beverages and generally offers accommodations for consuming the food or beverage on the premises. Usually serves breakfast, lunch, and/or dinner; generally does not have a drive-up window. Includes bars/taverns. (ITE # 931)

High Turnover Restaurant: A sit-down, full-service eating establishment with a turnover rate of approximately one hour or less. This type of restaurant is usually moderately priced and frequently belongs to a restaurant chain. Generally, these restaurants serve lunch and dinner; they may also be open for breakfast and are sometimes open 24 hours per day. (ITE # 932)

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

Espresso Drive Thru: A drive-up kiosk serving coffee and related beverages. No inside seating is provided and facilities are typically 200 square feet or smaller (ITE # 938; trip rates using local surveys*)

COMMERCIAL-RETAIL SHOPPING

Shopping Center: An integrated group of commercial establishments that is planned, developed, owned, or managed as a unit. On-site parking facilities are provided, and administrative office areas are usually included. In addition to the integrated unit of shops in one building or enclosed around a mall, include peripheral buildings located on the perimeter of the center adjacent to the streets and major access points. Supermarkets should typically be separated for calculation purposes from the rest of the shopping center. (ITE # 820)

Supermarket: Retail store (greater than 5,000 gsf) that sells a complete assortment of food, food preparation and wrapping materials, and household cleaning and servicing items. (ITE # 850)

Convenience Market: A use (less than 5,000 gsf) that combines retail food sales with fast foods or take-out food service; generally open long hours or 24 hours a day. (ITE # 851)

Free-Standing Discount Store: A free-standing store or warehouse with off-street parking. Usually offers centralized cashiering and a wide range of merchandise and/or food products. May include items sold in large quantities or bulk. Often is the only store on a site, but can be found in mutual operation with its own or other supermarkets, garden centers and service stations, or as part of community-sized shopping centers. Fred Meyer stores, Costco, and big box consumer electronic/computer/toy stores are examples of this land use. (ITE #s 813, 815, 857, 863, and 864 - average of rates used)

Hardware/Paint Store: A small free-standing or attached store with off-street parking. Stores sell hardware, paint, and related materials. Storage areas are not included in the total gross floor area. (ITE # 816)

Variety Store: A variety store is a retail store that sells a broad range of inexpensive items often at a single price. These stores are typically referred to as “dollar stores.” These stores are sometimes stand-alone sites, but they may also be located in small strip shopping centers. (ITE # 814)

Furniture Store: Furniture stores specialize in the sale of furniture, and often, carpeting. The stores are generally large and include storage areas. (ITE # 890)

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

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

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

Downtown Services/Retail: Downtown Services/Retail include retail stores, restaurants, convenience markets, banks, health clubs, bakeries/cafes, day cares, beauty services, and libraries. (Based on adjusted ITE #820)

COMMERCIAL-OFFICE

General Office: An office building houses one or more tenants and is the location where affairs of a business, commercial or industrial organization, professional person or firm are conducted. The building or buildings may be limited to one tenant, either the owner or lessee, or contain a mixture of tenants including professional services, insurance companies, investment brokers, and company headquarters. Services such as a bank or savings and loan, a restaurant or cafeteria, miscellaneous retail facilities, and fitness facilities for building tenants may also be included. (ITE #s 710*, 715, and 750)

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

Research, Development Center: A facility devoted almost exclusively to research or development activities. The range of specific types of businesses contained in this land use varies significantly. This land use includes scientific research, light fabrication areas, and office space. (ITE # 760)

INDUSTRIAL

Light Industry: Typical uses are printing plants, material testing laboratories, communications and information technology, and computer hardware and software. Light industrial uses do not have an emphasis on manufacturing. Generally also have offices and associated functions. (ITE # 110)

Heavy Industry, Manufacturing: These facilities usually have a high number of employees per industrial plant and may also be categorized as manufacturing facilities. Heavy industrial uses are limited to the manufacturing of large items. (ITE #s 120* and 140)

Mini-Warehouse: Buildings in which a number of storage units or vaults are rented for the storage of goods. Each unit is physically separated from other units, and access is usually provided through an overhead door or other common access point. (ITE # 151)

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