

ORDINANCE NO. 1079

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, RELATING TO IMPACT FEES, CLARIFYING THE FACTORS TO BE USED BY THE CITY IN THE CALCULATION OF IMPACT FEES, CLARIFYING THE PROCEDURES FOR REQUESTING CREDITS FROM IMPACT FEES, ESTABLISHING THE TIME FOR MAKING A CREDIT REQUEST, THE MANNER IN WHICH CREDIT WILL BE GIVEN FOR SYSTEM IMPROVEMENTS THAT HAVE NOT BEEN CONSTRUCTED, CLARIFYING THE METHOD FOR APPEAL OF A REQUESTED CREDIT TOWARD AN IMPACT FEE, DESCRIBING THE EFFECT OF A DEVELOPER'S EARLY PAYMENT OF IMPACT FEES ON THE CALCULATION OF THE FEE AMOUNT; ADDING A NEW SECTION 19.12.083 TO THE GIG HARBOR MUNICIPAL CODE; AMENDING GHMC SECTIONS 19.12.020, 19.12.080, 19.12.100, AND 19.14.010.

WHEREAS, the City has adopted impact fees primarily based on RCW 82.02.050 through 82.02.090; and

WHEREAS, the City has received a number of requests for credit against the impact fees, and chapter 19.12 GHMC is not clear on the procedure to be used for requesting such fees; and

WHEREAS, impact fees do not vest, yet developers have requested to make early payment of impact fees because they believe that they will become vested to the fee paid prior to the time the City calculates the impact fee (the fee is calculated at the time the building permit is ready for issuance, pursuant to GHMC Section 19.12.100); and

WHEREAS, the City Council desires to clarify the fact that developers may make early payment, but such early payment will not relieve the developers from payment of the fee calculated at the time established in GHMC Section 19.12.100; and

WHEREAS, per WAC 197.11.800(19), the proposed action is categorically exempt for a threshold determination and EIS requirements; and

WHEREAS, the City Council considered this Ordinance during its regular City Council meeting of April 9 and April 23, 2007; Now, Therefore,

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

Section 1. Section 19.12.080 of the Gig Harbor Municipal Code is hereby amended to read as follows:

19.12.080 Calculation of impact fees.

A. Director calculates the fees. The director shall calculate the impact fees set forth in Appendices B and C, more specifically described in the Gig Harbor six-year road plan and the parks, open space and recreation plan. The superintendent shall calculate the school impact fees set forth in Appendix D. The city council shall have the final decision on the calculation of the impact fees to be imposed under this chapter as set forth in Appendices B and C. ~~These calculations shall:~~

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 costs of the projects described in Appendix A, the City's six-year road plan and for parks shall be calculated as set forth in 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 Section 19.12.083. ~~This section.~~

C. Proportionate Share. In calculating proportionate share, the following factors will be considered:

1. Identify all park, school and transportation facilities that will be impacted by users from each development;

2. Identify when the capacity of a park, school or transportation facility has been fully utilized;

3. Update the data as often as practicable, but at least annually;

4. Estimate the cost of constructing the projects in Appendix A for roads at the time they are placed on the list, and the

cost of maintaining the city's level of park service as shown on Appendix C, and the costs relating to the construction of school facilities, and then update the cost estimates at least annually, considering the;

(a) availability of other means of funding park, school and transportation facilities;

(b) cost of existing park, school and transportation facility improvements;

(c) methods by which park, school and transportation facility improvements were financed;

5. Update the fee collected against a project which has already been completed, through an advancement of city or school district funds at a rate determined annually, which is equivalent to the City or school district's return on investments.

~~C. The director, or in the case of school impact fees, the superintendent, shall reduce the calculated proportionate share for a particular development by giving credit for the following benefit factors:~~

~~_____ 1. The purchase, installation and/or improvement of park, school and transportation facilities, if:~~

~~_____ a. The facilities are located on land owned by the City, Pierce County, the school district or a special district; and~~

~~_____ b. A designated public owner is responsible for permanent, continuing maintenance and operation of the facilities; and~~

~~_____ c. The director or superintendent determines that the facilities correspond to the type(s) of park, school and transportation facilities being impacted by the development as determined pursuant to this chapter; and~~

~~_____ d. The director determines, after consultation with the county, school district or special purpose district, as applicable, and an analysis of supply and demand data, the parks, open space and recreation plan, the six year road plan and any the adopted Pierce County park and transportation plan, that the proposed park and transportation facility improvements better meet the City's need for park and transportation facilities than would~~

~~payment of funds to mitigate the park and transportation impacts of the development.~~

~~2. The credit against the impact fee shall be equal to the fair market value of the purchase, installation and/or improvement.~~

~~3. Any applicable benefit factors, as described in RCW 82.02.060, that are demonstrated by the applicant not to be included in the calculation of the impact fee.~~

~~4. A developer of a planned residential development or a mobile home park may receive credit only for park, school and transportation facilities provided in addition to those normally required under SEPA for such developments pursuant to Chapter 18.04 GHMC.~~

~~5. When the director or superintendent has agreed to a developer's proposal to satisfy some or all of the impact fee through the purchase, installation and/or improvement of park, school and/or transportation facilities, the developer shall prepare and submit a facility improvement plan to the director, and if applicable, to the superintendent for approval prior to recordation of a plat or short plat for subdivisions, and prior to issuance of a building permit for all other developments.~~

~~6. In the determination of credit toward the impact fee, the director or superintendent shall also consider the extent to which the proposed dedication or conveyance meets the following criteria:~~

~~—— a. The land should result in an integral element of the Gig Harbor park/road system;~~

~~—— b. The land is suitable for future park, school and/or transportation facilities;~~

~~—— c. The land is of appropriate size and of an acceptable configuration;~~

~~—— d. The land has public access via a public street or an easement of an equivalent width and accessibility;~~

~~—— e. The land is located in or near areas designated by the city or county on land use plans for park, trail or recreational purposes, or, in the case of schools, is appropriately located for school facilities;~~

~~_____ f. The land provides linkage between Pierce County and/or other publicly owned recreation and transportation properties;~~

~~_____ g. The land has been surveyed or adequately marked with survey monuments, or is otherwise readily distinguishable from adjacent privately owned property;~~

~~_____ h. The land has no known physical problems associated with it, such as the presence of hazardous waste, drainage, erosion or flooding problems which the director or superintendent determines would cause inordinate demands on public resources for maintenance and operation;~~

~~_____ i. The land has no known safety hazards;~~

~~_____ j. The developer is able to provide documentation, as nearly as practicable, of the land's compliance with the criteria of this subsection, and of clear title;~~

~~_____ k. The developer is able to provide and fund a long-term method, acceptable to the director or superintendent, for the management and maintenance of the land, if applicable.~~

~~7. The amount of credit determined pursuant to this subsection shall be credited proportionately among all of the units in the development, and the impact fee for each unit for which a permit or approval is applied shall be reduced accordingly.~~

~~8. Applicants may not request that an impact fee credit be provided for a proposed development based on taxes, user fees, assessments, improvements, payments or other benefit factors applicable to property that is not included within the proposed development.~~

~~9. Applicants shall receive credit against the impact fee equal to the amount of an LID assessment paid for transportation-related facilities identified by the director as increasing transportation system capacity.~~

Section 2. A new Section 19.12.083 is hereby added to the Gig Harbor

Municipal Code, which shall read as follows:

19.12.083 Credits.

A. Credit allowed. The director, or in the case of school impact fees, the superintendent, shall reduce the calculated proportionate share for a particular development by giving credit for the benefit factors described in this Section.

B. Procedure for obtaining credit, time to request credit. Requests for credits against impact fees will not be considered unless the developer makes the request in writing, concurrent with submission of the application for the underlying development permit triggering the impact fee. For example, credit for impact fees relating to a preliminary plat must be submitted concurrent with submission of the application for the preliminary plat application, not the final plat or building permits for development in the plat.

C. Benefit Factors. The director will consider the following benefit factors when determining whether an impact fee credit is appropriate:

1. *Developer's dedication of land and/or construction of system improvements.* The value of any dedication of land for, improvement to, or new construction of any system improvements provided by the developer, to facilities required by the city that are identified in the capital facilities plan and that are required by the city as a condition of approving the development activity, as long as the following conditions are satisfied. For school impact fees, the superintendent shall consider the value of any dedication of land for, improvement to, or new construction of any system improvements provided by the developer to facilities identified in the school district's capital facilities plan, as long as the following conditions are satisfied.

a. The system improvements are located on land owned by the City, Pierce County, the school district or a special purpose district; and

b. A designated public owner is responsible for permanent, continuing maintenance and operation of the system improvements; and

c. The director or superintendent determines that the system improvements correspond to the type(s) of park, school and transportation system improvements that are reasonably related to the development as determined pursuant to this chapter; and

d. The director determines, after consultation with the county, school district or special purpose district, as applicable, and an analysis of supply and demand data, the parks, open space and recreation plan, the six year road plan and the adopted Pierce County park and transportation plan, that the proposed park and transportation system improvements better meet the City's need for park and transportation system improvements than would payment of funds to mitigate the park and transportation impacts of the development.

e. In the determination of credit toward the impact fee, the director or superintendent shall also consider the extent to which the proposed dedication or conveyance meets the following criteria:

(i) The land should result in an integral element of the Gig Harbor park/road system;

(ii) The land is suitable for future park, school and/or transportation facilities;

(iii) The land is of appropriate size and of an acceptable configuration;

(iv) The land has public access via a public street or an easement of an equivalent width and accessibility;

(v) The land is located in or near areas designated by the city or county on land use plans for park, trail or recreational purposes, or, in the case of schools, is appropriately located for school facilities;

(vi) The land provides linkage between Pierce County and/or other publicly owned recreation and transportation properties;

(vii) The land has been surveyed or adequately marked with survey monuments, or is otherwise readily distinguishable from adjacent privately owned property;

(viii) The land has no known physical problems associated with it, such as the presence of hazardous waste, drainage, erosion or flooding problems which the director or

superintendent determines would cause inordinate demands on public resources for maintenance and operation;

(ix) The land has no known safety hazards;

(x) The developer is able to provide documentation, as nearly as practicable, of the land's compliance with the criteria of this subsection, and of clear title;

(xi) The developer is able to provide and fund a long-term method, acceptable to the director or superintendent, for the management and maintenance of the land, if applicable.

D. Requirement for System Improvement Plan. When the director or superintendent has agreed to a developer's proposal to satisfy some or all of the impact fee through the purchase, installation and/or improvement of park, school and/or transportation facilities, the developer shall prepare and submit a system improvement plan to the director, and if applicable, to the superintendent for approval prior to recordation of a plat or short plat for subdivisions, and prior to issuance of a building permit for all other developments.

E. Statutory Benefit Factors. The director may consider any applicable benefit factors, as described in RCW 82.02.060 (as it now exists or may hereafter be amended), that are demonstrated by the applicant not to be included in the calculation of the impact fee.

F. Amount of Credit. The credit against the impact fee shall be equal to the fair market value of the purchased/ dedicated property or equal to the cost of the completed system improvements. In those situations in which a developer has not yet installed or constructed system improvements and requests a credit for the system improvement(s), the City Engineer (or superintendent for school facilities) shall estimate the cost of the system improvements, which shall be the credit allowed to the developer in the decision on the amount of the impact fee. If a credit is granted for a system improvement that has not been constructed, the developer shall pay the full impact fee without the credit, at the time established in GHMC Section 19.12.110. After construction and/or installation of the system improvement, the developer may request the credit granted by the Engineer under this subsection, and the City shall refund the difference of the

impact fee to reflect the credit, PROVIDED THAT: if the City and the property owner have entered into a development agreement on or before the effective date of this Ordinance, and the agreement requires the construction of such improvements, the City may allow a credit to be subtracted from the impact fee paid at the time established in GHMC 19.12.100.

G. PRD's, PUD's and Mobile Home Parks. A developer of a planned residential development, a planned unit development or a mobile home park may receive credit only for park, school and transportation facilities provided in addition to those normally required under SEPA for such developments pursuant to Chapter 18.04 GHMC.

H. Credit to apply proportionately to units. The amount of credit determined pursuant to this subsection shall be credited proportionately among all of the units in the development, and the impact fee for each unit for which a permit or approval is applied shall be reduced accordingly.

I. Limits on credit requests. Applicants may not request that an impact fee credit be provided for a proposed development based on taxes, user fees, assessments, improvements, payments or other benefit factors applicable to property that is not included within the proposed development.

J. Local improvement districts. Applicants shall receive credit against the impact fee equal to the amount of an LID assessment paid for transportation-related system improvements identified by the director as increasing transportation system capacity.

K. Appeals of credits. The director or superintendent shall issue a written decision on the developer's request for a credit of the impact fee calculation, which shall explain why the credit was granted or denied. The developer may request reconsideration and appeal the impact fee amount and credit pursuant to GHMC Section 19.12.170. If the procedures in GHMC Section 19.12.170 are not timely followed to request an appeal of the credit, the director or superintendent's decision on the impact fee credit shall be final.

Section 3. Section 19.12.100 of the Gig Harbor Municipal Code is hereby amended to read as follows:

19.12.100 Payment of fees.

A. All developers shall pay an impact fee in accordance with the provisions of this chapter which shall be calculated by the city at the time that the building permit is ready for issuance. Developers may choose to pay impact fees or a portion thereof prior to the city's issuance of a building permit, but if the early payment is less than the fee calculated at the time the building permit is ready for issuance, the developer shall pay the difference. If the early payment is more than the fee calculated at the time the building permit is ready for issuance, the City shall refund the difference.

* * *

Section 4. 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 5. Effective Date. This Ordinance shall take effect and be in full force five (5) days after passage and publication of an approved summary consisting of the title.

PASSED by the City Council and approved by the Mayor of the City of Gig Harbor this 23rd day of April, 2007.

CITY OF GIG HARBOR



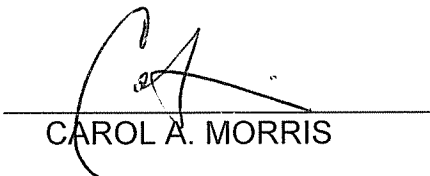
CHARLES L. HUNTER, MAYOR

ATTEST/AUTHENTICATED:

By: 

MOLLY TOWSLEE, City Clerk

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY

By: 
CAROL A. MORRIS

FILED WITH THE CITY CLERK: 04/04/07
PASSED BY THE CITY COUNCIL: 04/23/07
PUBLISHED: 05/02/07
EFFECTIVE DATE: 05/07/07
ORDINANCE NO:1079

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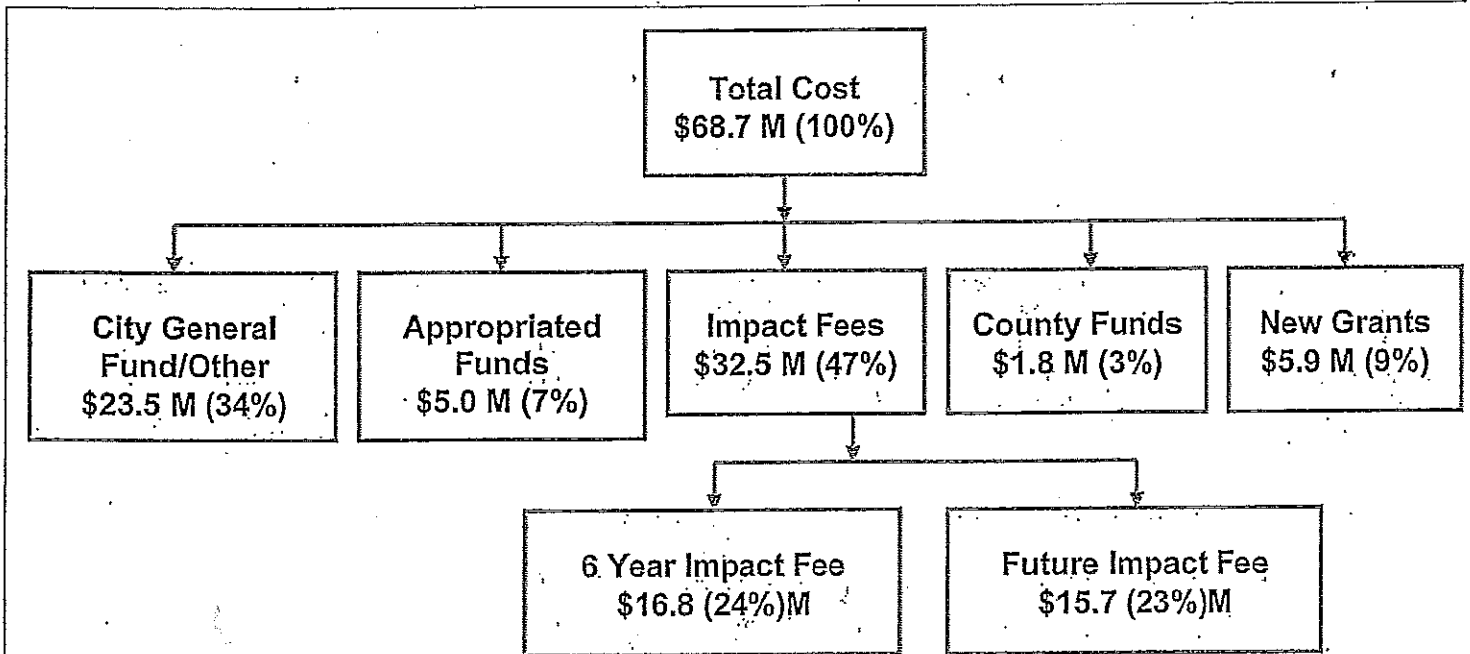
EXHIBIT A-1

Impact Fee Cost (2007 - 2012)

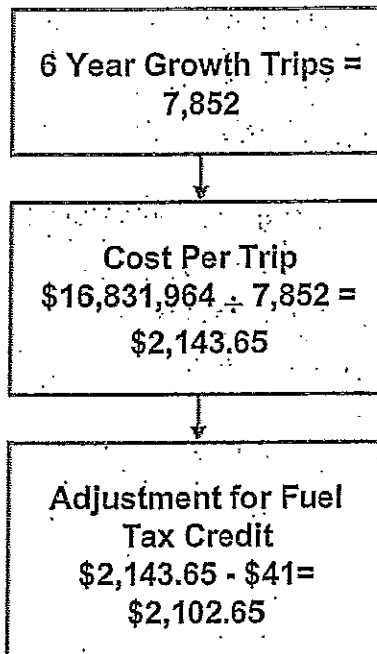
| Impact Fee List ID No. | Route | From / To | Capacity Improvements | Project Cost | Existing Road Capacity | Existing Traffic Volume | Existing Deficiency if < 0 | Future Street Capacity | Future Traffic Volume | Traffic Volume Increase by Project | Capacity Increase Provided | % Increased Capacity Used | Share of Increased Capacity Cost |
|------------------------|---------------------------------|------------------------------------|-----------------------------------------------------------------------------------|-------------------|------------------------|-------------------------|----------------------------|------------------------|-----------------------|------------------------------------|----------------------------|---------------------------|----------------------------------|
| 1 | Borgen / SR16 / Canterwood | Interim Improvements | Increase intersection capacity at Borgen Roundabout, minor widening on Canterwood | 8,000,000 | NA | 2,530 | NA | NA | 5,226 | 2,696 | NA | NA | NA |
| 2 | Olympic Drive / 56th Street | 38th Avenue to Point Fosdick Drive | Major widening, 5 lanes, bike lanes, sidewalks | 6,042,000 | 1,800 | 1,721 | | 3,600 | 1,781 | 60 | 1,800 | 3% | \$201,400 |
| 3 | 56th Street / Pt. Fosdick Drive | Olympic Drive to Olympic Drive | Minor widening, 3 lanes, bike lanes, sidewalks | 2,640,000 | 1,200 | 264 | | 1,800 | 371 | 107 | 600 | 18% | \$470,800 |
| 4 | 38th Avenue Phase 1 | City Limits to 56th Street | Minor widening, 3 lanes, bike lanes, sidewalk 1 side | 11,215,200 | 1,200 | 309 | | 1,800 | 346 | 37 | 600 | 6% | \$691,604 |
| 5 | Grandview Street Phase 2 | Pioneer Avenue to Stinson Avenue | Minor widening, bike lanes, sidewalk 1 side | 518,400 | 1,200 | 222 | | 1,600 | 256 | 34 | 400 | 9% | \$44,064 |
| 6 | Grandview Street Phase 3 | McDonald Avenue to Soundview Drive | Minor widening, bike lanes, sidewalks | 880,800 | 1,200 | 120 | | 1,600 | 113 | -7 | 400 | -2% | -\$15,414 |
| 7 | 38th Avenue Phase 2 | 56th Street to Hunt Street | Minor widening, bike lanes, sidewalk 1 side | 7,488,000 | 1,200 | 632 | | 1,600 | 767 | 135 | 400 | 34% | \$2,527,200 |
| 8 | 50th Court | Olympic Drive to 38th Street | New roadway | 960,000 | 0 | 0 | | 1,600 | 344 | 344 | 1,600 | 22% | \$206,400 |
| 9 | Olympic / Hollycroft | Intersection | Increase intersection capacity - single lane roundabout | 540,000 | 1,200 | 1,272 | -72 | 1,800 | 1,413 | 141 | 600 | 24% | \$126,900 |
| 10 | Rosedale Street Phase 2 | City Limits to SR 16 | Minor widening, left-turn pockets, bike lanes | 1,022,400 | 1,200 | 620 | | 1,800 | 639 | 19 | 600 | 3% | \$32,376 |
| 11 | Rosedale Street Phase 3 | SR 16 to Shirley Avenue | Minor widening, LT pockets, 1 bike lane, 1 sidewalk | 801,600 | 1,200 | 569 | | 1,800 | 937 | 368 | 600 | 61% | -\$491,648 |
| 12 | Hunt Street Phase 1 | Skansie Avenue to 38th | Minor widening, 3 lanes, bike lanes, sidewalks | 6,912,000 | 1,200 | 709 | | 1,800 | 1,306 | 597 | 600 | 100% | \$6,877,440 |
| 13 | Wollochet Drive | Hunt Street to SR 16 | Major widening | 8,670,000 | 1,200 | 1,339 | -139 | 3,600 | 1,787 | 448 | 2,400 | 19% | \$1,618,400 |
| 14 | Hunt / Skansie | Intersection | Intersection capacity signal or roundabout | 1,728,000 | 1,200 | 678 | | 3,600 | 1,051 | 373 | 600 | 62% | \$1,074,240 |
| 15 | Burnham Drive Phase 1 | Harborview Drive to Franklin Drive | Major widening, sidewalks | 716,400 | 1,200 | 495 | | 1,800 | 657 | 162 | 600 | 27% | \$193,428 |
| 16 | Burnham Drive Phase 2 | Franklin Avenue to N-S Connector | Major widening, sidewalks | 4,075,200 | 1,200 | 522 | | 1,800 | 678 | 156 | 600 | 26% | \$1,059,552 |
| 17 | Burnham Drive Phase 3 | N-S Connector to Borgen Blvd | Major widening, sidewalks | 6,541,200 | 1,200 | 551 | | 1,800 | 664 | 113 | 600 | 19% | \$1,231,926 |
| TOTAL COSTS | | | | 68,751,200 | | | | | | | | | \$16,831,964 |

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**Exhibit A-2
Impact Fee Cost Allocation (2007 - 2012)
Formula**



Cost Per Trip



**New PM Peak Hour Trips = 7,852
Cost / Trip = \$2,102.65**

EXHIBIT A-3

Table 4. Proposed Transportation Impact Fee Schedule (1 of 2)

| City of Gig Harbor | | | Base Impact Fee Per Trip: \$ 2,102.65 | | | | | |
|---------------------|-----------------------|------------------------------------|---------------------------------------|------------------------------|------------------------------------|----------------------------------------------|-----|---------|
| Land Use Group | ITE Code ¹ | ITE Land Use Category ¹ | ITE Trip Rate ² | % Pass by trips ³ | Net New Trips per Development Unit | Impact Fee per Development Unit ⁴ | | |
| Dwelling | 210 | Single Family House | 1.01 | 0% | 1.010 | \$ 2,124 | per | DU |
| Dwelling | 220 | Apartment | 0.62 | 0% | 0.620 | \$ 1,304 | per | DU |
| Dwelling | 231 | Low-Rise Condo / Townhouse | 0.78 | 0% | 0.780 | \$ 1,640 | per | DU |
| Dwelling | 240 | Mobile Home | 0.59 | 0% | 0.590 | \$ 1,241 | per | DU |
| Dwelling - Group | 251 | Sr. Housing Detached | 0.26 | 0% | 0.260 | \$ 547 | per | DU |
| Dwelling - Group | 252 | Sr. Housing Attached | 0.11 | 0% | 0.110 | \$ 231 | per | DU |
| Dwelling - Group | 253 | Congregate Care Facility | 0.17 | 0% | 0.170 | \$ 357 | per | DU |
| Dwelling - Group | 254 | Assisted Living (limited data) | 0.22 | 0% | 0.220 | \$ 463 | per | Bed |
| Dwelling - Group | 620 | Nursing Home | 0.22 | 0% | 0.220 | \$ 463 | per | Bed |
| Education | 520 | Public Elementary School | 1.19 ⁵ | 0% | 1.190 | \$ 2.50 | per | Sq. Ft. |
| Education | 522 | Public Middle School | 1.19 | 0% | 1.190 | \$ 2.50 | per | Sq. Ft. |
| Education | 530 | Public High School | 0.97 | 0% | 0.970 | \$ 2.04 | per | Sq. Ft. |
| Education | 534 | Private School K-8 (limited data) | 3.40 ⁵ | 0% | 3.400 | \$ 7.15 | per | Sq. Ft. |
| Education | 536 | Private School K-12 (limited data) | 2.75 ⁵ | 0% | 2.750 | \$ 5.78 | per | Sq. Ft. |
| Industrial | 110 | Light Industrial | 0.98 | 0% | 0.980 | \$ 2.06 | per | Sq. Ft. |
| Industrial | 130 | Industrial Park | 0.86 | 0% | 0.860 | \$ 1.81 | per | Sq. Ft. |
| Industrial | 140 | Manufacturing | 0.74 | 0% | 0.740 | \$ 1.56 | per | Sq. Ft. |
| Medical | 610 | Hospital | 1.18 | 0% | 1.180 | \$ 2.48 | per | Sq. Ft. |
| Medical | 630 | Clinic (limited data) | 5.18 | 0% | 5.180 | \$ 10.89 | per | Sq. Ft. |
| Medical | 720 | Medical/Dental Office | 3.72 | 0% | 3.720 | \$ 7.82 | per | Sq. Ft. |
| Office | 710 | General Office | 1.49 | 0% | 1.490 | \$ 3.13 | per | Sq. Ft. |
| Office | 715 | Single Tenant Office | 1.73 | 0% | 1.730 | \$ 3.64 | per | Sq. Ft. |
| Office | 750 | Office Park | 1.50 | 0% | 1.500 | \$ 3.15 | per | Sq. Ft. |
| Park and Ride | 090 | Park and Ride with Bus Service | 0.62 | 0% | 0.620 | \$ 1,304 | per | Space |
| Recreation | 420 | Marina (limited data) | 0.19 | 25% | 0.143 | \$ 300 | per | Slip |
| Recreation | 430 | Golf Course | 0.30 | 25% | 0.225 | \$ 473 | per | Acre |
| Recreation | 441 | Live Theater (limited data) | 0.02 | 25% | 0.015 | \$ 31.54 | per | Seat |
| Recreation | 491 | Racquet Club | 0.64 ⁵ | 25% | 0.482 | \$ 1.01 | per | Sq. Ft. |
| Recreation | 492 | Health Fitness Club | 4.05 | 25% | 3.038 | \$ 6.39 | per | Sq. Ft. |
| Recreation | 495 | Recreational Community Center | 1.64 | 25% | 1.230 | \$ 2.59 | per | Sq. Ft. |
| Retail - Automotive | 853 | Convenience Market w/Gas Pumps | 19.22 | 66% | 6.535 | \$ 13,740 | per | VSP |
| Retail - Automotive | 941 | Quick Lube | 5.19 | 42% | 3.010 | \$ 6,329 | per | VSP |
| Retail - Automotive | 944 | Gas Station | 13.86 | 42% | 8.039 | \$ 16,903 | per | VSP |
| Retail - Automotive | 945 | Gas Station w/Convenience Market | 13.38 | 56% | 5.887 | \$ 12,379 | per | VSP |

¹ Institute of Transportation Engineers, Trip Generation (7th Edition)

² Trip generation rate per development unit, for PM Peak Hour of the adjacent street traffic (4-6 pm). Note: Sq. Ft. rate expressed per 1000 SF.

³ Average Pass-by Rates, per Trip Generation Handbook: an ITE Recommended Practice, March, 2001

⁴ DU = dwelling unit, Sq. Ft. = Square Feet, VSP = vehicle servicing position

⁵ Scaled to pm Peak Hour of Adjacent Street Traffic from pm Peak Hour of Generator

EXHIBIT A-3

Table 4. Proposed Transportation Impact Fee Schedule (2 of 2)

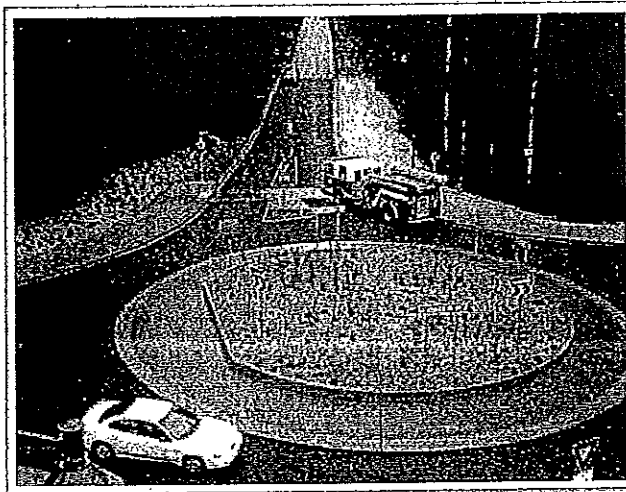
| Land Use Group | ITE Code ¹ | ITE Land Use Category ¹ | ITE Trip Rate ² | % Pass by trips ³ | Net New Trips per Development Unit | Impact Fee per Development Unit ⁴ | | |
|---------------------|-----------------------|-----------------------------------------------|----------------------------|------------------------------|------------------------------------|----------------------------------------------|-----|---------|
| Retail - Automotive | 946 | Gas Station w/Convenience Market and Car Wash | 13.33 | 42% | 7.731 | \$ 16,256 | per | VSP |
| Retail - Automotive | 947 | Self Serve Car Wash | 5.54 | 42% | 3.213 | \$ 6,756 | per | VSP |
| Retail - Large | 445 | Multiplex Movie Theater | 5.22 | 34% | 3.445 | \$ 7.24 | per | Sq. Ft. |
| Retail - Large | 814 | Specialty Retail Center | 2.71 | 34% | 1.789 | \$ 3.76 | per | Sq. Ft. |
| Retail - Large | 815 | Free Standing Discount Store | 5.06 | 17% | 4.200 | \$ 8.83 | per | Sq. Ft. |
| Retail - Large | 850 | Supermarket | 10.45 | 36% | 6.688 | \$ 14.06 | per | Sq. Ft. |
| Retail - Large | 854 | Discount Supermarket | 8.90 | 9% | 8.099 | \$ 17.03 | per | Sq. Ft. |
| Retail - Large | 862 | Home Improvement Super Store | 2.45 | 48% | 1.274 | \$ 2.68 | per | Sq. Ft. |
| Retail - Large | 863 | Electronics Super Store | 4.50 | 40% | 2.700 | \$ 5.68 | per | Sq. Ft. |
| Retail - Large | 867 | Office Supply Superstore | 3.40 | 48% | 1.768 | \$ 3.72 | per | Sq. Ft. |
| Retail - Regional | 813 | Free Standing Discount Superstore | 3.87 | 34% | 2.554 | \$ 5.37 | per | Sq. Ft. |
| Retail - Regional | 820 | Shopping Center < 1 million Sq Ft | 3.75 | 34% | 2.475 | \$ 5.20 | per | Sq. Ft. |
| Retail - Regional | 861 | Discount Club | 4.24 | 34% | 2.798 | \$ 5.88 | per | Sq. Ft. |
| Retail - Small | 590 | Library | 7.09 | 0% | 7.090 | \$ 14.91 | per | Sq. Ft. |
| Retail - Small | 816 | Hardware/Paint Store | 4.84 | 43% | 2.759 | \$ 5.80 | per | Sq. Ft. |
| Retail - Small | 848 | Tire Store | 4.15 | 28% | 2.988 | \$ 6.28 | per | Sq. Ft. |
| Retail - Small | 849 | Tire Superstore | 2.11 | 28% | 1.519 | \$ 3.19 | per | Sq. Ft. |
| Retail - Small | 851 | Convenience Market | 52.41 | 24% | 39.832 | \$ 83.75 | per | Sq. Ft. |
| Retail - Small | 880 | Pharmacy/Drug Store | 8.42 | 49% | 4.294 | \$ 9.03 | per | Sq. Ft. |
| Retail - Small | 881 | Pharmacy/Drug Store w/Drive-up | 8.62 | 49% | 4.396 | \$ 9.24 | per | Sq. Ft. |
| Retail - Small | 896 | Video Rental Store | 13.60 | 49% | 6.936 | \$ 14.58 | per | Sq. Ft. |
| Retail - Small | 911 | Walk in Bank (limited data) | 33.15 | 47% | 17.570 | \$ 36.94 | per | Sq. Ft. |
| Retail - Small | 912 | Drive-in Bank | 45.74 | 47% | 24.242 | \$ 50.97 | per | Sq. Ft. |
| Retail - Small | 931 | Quality Restaurant | 7.49 | 44% | 4.194 | \$ 8.82 | per | Sq. Ft. |
| Retail - Small | 932 | High Turnover Restaurant | 10.92 | 43% | 6.224 | \$ 13.09 | per | Sq. Ft. |
| Retail - Small | 933 | Fast Food | 26.15 | 49% | 13.337 | \$ 28.04 | per | Sq. Ft. |
| Retail - Small | 934 | Fast Food w/Drive up | 34.64 | 49% | 17.666 | \$ 37.15 | per | Sq. Ft. |
| Retail - Small | 936 | Drinking Place | 11.34 | 44% | 6.350 | \$ 13.35 | per | Sq. Ft. |
| Retail - Small | 942 | AutoCare | 3.38 | 28% | 2.434 | \$ 5.12 | per | Sq. Ft. |
| Services | 151 | Mini Warehouse | 0.26 | 0% | 0.260 | \$ 0.55 | per | Sq. Ft. |
| Services | 310 | Hotel | 0.59 | 0% | 0.590 | \$ 1241 | per | Room |
| Services | 320 | Motel | 0.47 | 0% | 0.470 | \$ 988 | per | Room |
| Services | 560 | Church over 20,000 Sq. Ft. | 0.66 | 0% | 0.660 | \$ 1.39 | per | Sq. Ft. |
| Services | 560 | Church under 20,000 Sq. Ft. | 0.66 | 0% | 0.660 | \$ 1.39 | per | Sq. Ft. |
| Services | 565 | Day Care Center | 13.18 | 75% | 3.295 | \$ 1.00 | per | Sq. Ft. |
| Services | 732 | US Post Office | 10.89 | 47% | 5.772 | \$ 12.14 | per | Sq. Ft. |

¹ Institute of Transportation Engineers, Trip Generation (7th Edition)

² Trip generation rate per development unit, for PM Peak Hour of the adjacent street traffic (4-6 pm). Note: Sq. Ft. rate expressed per 1000 SF.

³ Average Pass-by Rates, per Trip Generation Handbook: an ITE Recommended Practice, March, 2001

⁴ DU = dwelling unit; Sq. Ft. = Square Feet, VSP = vehicle servicing position



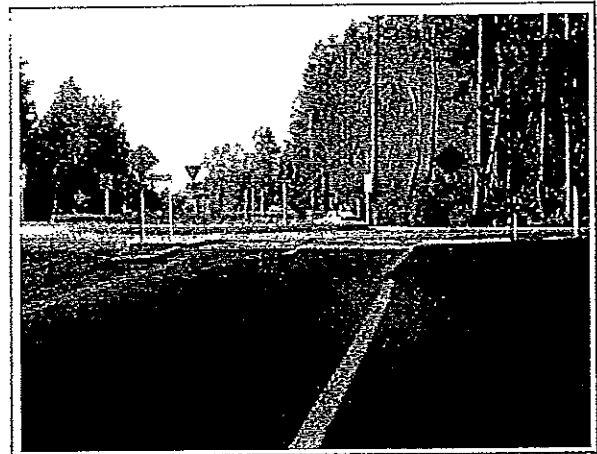
Transportation Impact
Fee Program
Update

March 2007



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INTRODUCTION

This report provides an update to the Transportation Impact Fee Program for the City of Gig Harbor. The update was prepared for the following reasons:

- The Growth Management Act requires regular updates to impact fee programs. The original Transportation Impact Fee program was adopted by the City Council in 1999.
- New projects have been added to the City's Capital Facilities Program (CFP), while projects currently on the impact fee project list have been completed.

The remaining sections of the report describe the impact fee program methodology, the analyses performed, and the resulting recommendations.

CITY OF GIG HARBOR REQUIREMENTS

City of Gig Harbor Traffic Impact Fee Update

This update to the City of Gig Harbor Traffic Impact Fee was prepared consistent with Ordinance No. 828, "Gig Harbor Impact Fee Ordinance", effective 12/15/99 as codified in Chapter 19.12 in Title 19 of the Gig Harbor Municipal Code and as amended by Ordinance No. 963 effective 7/26/04 and Ordinance No. 1017 effective 10/24/05.

The City's Traffic Impact Fee Ordinance No. 828, Section 2.B.1 requires that the Traffic Impact Fee is consistent with the Six-Year Road Plan and Transportation Element of the Comprehensive Plan.

This update to the impact fee is based upon the City's current 2007-2012 Six Year Transportation Improvement Plan (TIP) adopted by Resolution 685 on 8/28/06. The TIP in turn is based upon the latest update to the Transportation Element of the Comprehensive Plan. The long-range improvements to the SR 16 Burnham interchange are not included in this Impact Fee update. The interchange improvements are anticipated to be funded through a voluntary SEPA mitigation fee applicable to both city and county traffic, to be determined through ongoing planning and design of the interchange or equivalent improvements.

The City's Traffic Impact Fee Ordinance Section 2.B.2 requires that adequate levels of service are provided within the City.

The TIP projects that improve level of service through the provision of additional through lanes, additional turn lanes, expansion of intersections, or control of intersections by traffic signals or roundabouts, and/or provision of new roads to relieve congestion, are included in the impact fee update. Projects that are required for the maintenance of existing facilities, parking facilities, and non-motorized projects are not included.

The City's Traffic Impact Fee Ordinance Section 2.B.3 requires that new development bears its proportionate share of the capital costs of transportation facilities reasonably related to new development.

The update to the Traffic Impact Fee is based upon the City's new City Wide Traffic Model. The model was developed using VISUM, an internationally recognized traffic forecasting software package. The City's traffic model includes the city limits, the Urban Growth Area (UGA) adjacent to the City and external zones that replicate Pierce and Kitsap counties. The model includes 132 internal (City of Gig Harbor and UGA's) Traffic Analysis Zones (TAZ's), 75 adjacent Pierce County zones, 2 Kitsap County zones and 3 external zones.

The traffic model forecasts PM peak hour traffic volumes based upon land use consistent with existing and proposed development. An estimate of 7,852 PM peak hour trips was used to develop a six-year traffic growth forecast. This estimate was developed utilizing the following information:

- Current approved capacity reservation certificates consisting of 5,467 PM peak hour trips located primarily in the North Gig Harbor area.
- Anticipated growth within the next six years beyond approved capacity reservation certificates as of August 2006 consisting of 584 PM peak trips tied to specific planned development located in the Gig Harbor North area and 1,802 PM peak trips assumed in the Gig Harbor Westside area to account for future development outside the Gig Harbor North area.

The six-year traffic growth forecast was used to determine the proportionate share of the capital costs summarized in Table 1, "Project List", below, that are reasonably related to new growth.

Pierce County growth was not included in the six-year traffic forecast used for the impact fee calculation. It is assumed that county through trips will result in an additional 11 percent increase in traffic Citywide (665 trips) and that separate SEPA mitigation will be required to mitigate the impacts created by County generated traffic.

The City's Traffic Impact Fee Ordinance Section 2.B.4 requires that the City Pay its Fair Share of the Capital Cost of Transportation Projects.

The impact fee update excludes non-growth related transportation projects such as drainage and roadway rehabilitation projects. The impact fee is based upon growth's proportionate share of the capacity added by the impact fee projects. See Table 3 for the calculation of the growth share of capacity used and see Figure 2 for a summary of the funding sources used for the impact fee projects.

IMPACT FEE ANALYSIS

The impact fee structure for the City of Gig Harbor was designed to determine the proportionate share of improvement costs that may be charged to new development. The following key points summarize the impact fee structure:

- A six-year roadway facility list oriented to future growth is developed.

- Existing deficiencies are identified and separated from future trips on the roadway system.
- Future trips are allocated to geographic areas inside and outside the City using a traffic-forecasting model.
- A citywide fee system is established.
- A land use-based fee schedule is developed.

Each of the above elements is described in the following sections.

Impact Fee Project List

The updated impact fee project list was composed of selected capacity projects from the City's CFP, which covers a six-year period. The project list, shown in Table 1, includes 17 projects. These 17 projects are also shown in Figure 1.

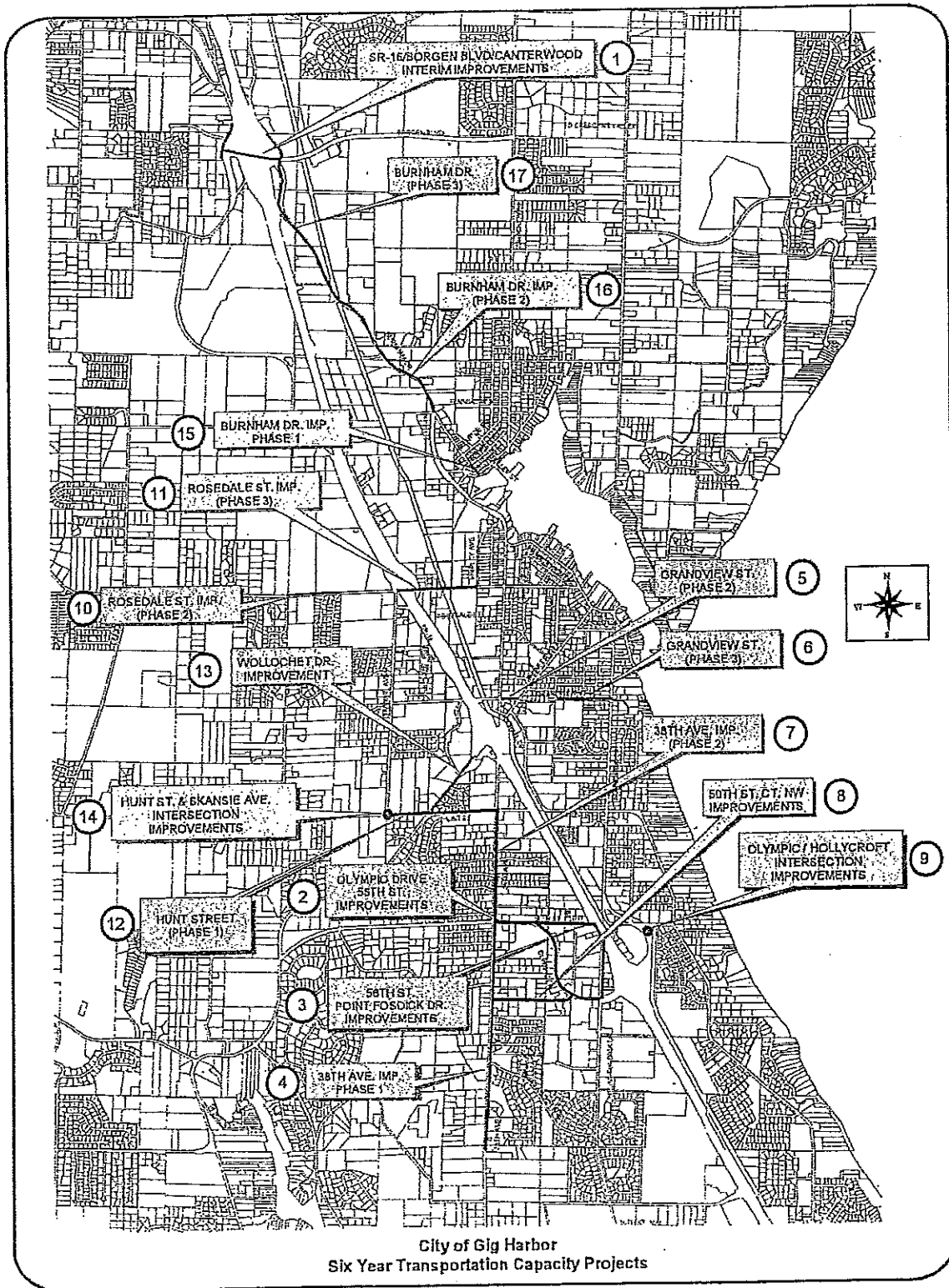
Project costs are based upon the TIP cost estimates and a construction cost inflation estimate of 20 percent to account for ongoing construction cost increases since the TIP was adopted in August 2006.

Table 1. Project List

| Impact Fee List ID | TIP No. | Route | From / To | Capacity Improvements | Project Cost |
|--------------------|---------|-------------------------------|---------------------------------|-----------------------------------------------------------------------------------|-------------------|
| 1 | 1 | Borgen / SR 16 / Canterwood | Interim Improvements | Increase intersection capacity at Borgen Roundabout, minor widening on Canterwood | 8,000,000 |
| 2 | 3 | Olympic Drive / 56th Street | 38th Ave to Point Fosdick Drive | Major widening, 5 lanes, bike lanes, sidewalks | 6,042,000 |
| 3 | 4 | 56th Street / Pt. Fosdick Dr. | Olympic Drive to Olympic Drive | Minor widening, 3 lanes, bike lanes, sidewalks | 2,640,000 |
| 4 | 5 | 38th Avenue Phase 1 | City Limits to 56th Street | Minor widening, 3 lanes, bike lanes, sidewalk 1 side | 11,215,200 |
| 5 | 10 | Grandview Street Phase 2 | Pioneer Ave to Stinson Ave | Minor widening, bike lanes, sidewalk 1 side | 518,400 |
| 6 | 11 | Grandview Street Phase 3 | McDonald Ave to Soundview Drive | Minor widening, bike lanes, sidewalks | 880,800 |
| 7 | 12 | 38th Avenue Phase 2 | 56th St to Hunt St | Minor widening, bike lanes, sidewalk 1 side | 7,488,000 |
| 8 | 13 | 50th Court | Olympic Drive to 38th Street | New roadway | 960,000 |
| 9 | 14 | Olympic / Hollycroft | Intersection | Increase intersection capacity - single lane, roundabout | 540,000 |
| 10 | 19 | Rosedale Street Phase 2 | City Limits to SR 16 | Minor widening, left-turn pockets, bike lanes | 1,022,400 |
| 11 | 20 | Rosedale Street Phase 3 | SR 16 to Shirley Ave | Minor widening, LT pockets, 1 bike lane, 1 sidewalk | 801,600 |
| 12 | 21 | Hunt St Phase 1 | Skansie Ave to Olympic | Minor widening, 3 lanes, bike lanes, sidewalks | 6,912,000 |
| 13 | 22 | Wollochet Drive | Hunt St to SR 16 | Major widening | 8,670,000 |
| 14 | 25 | Hunt / Skansie | Intersection | Intersection capacity signal or roundabout | 1,728,000 |
| 15 | 26 | Burnham Drive Phase 1 | Harborview Dr to Franklin Dr | Major widening, sidewalks | 716,400 |
| 16 | 27 | Burnham Drive Phase 2 | Franklin Ave to N-S Connector | Major widening, sidewalks | 4,075,200 |
| 17 | 28 | Burnham Drive Phase 3 | N-S Connector to Borgen Blvd | Major widening, sidewalks | 6,541,200 |
| TOTAL COSTS | | | | | 68,751,200 |

Note: Refer to Figure 1 for the Project Map.

Figure 1. City of Gig Harbor Impact Fee Projects



During the City's transportation planning process, the City identified the projects in Table 1 as those to be constructed in the next six-years to support the six-year growth forecast and provide additional capacity to support future growth to meet the City's adopted Level of Service (LOS) standards. These capital projects form the basis for the City's transportation program which includes public and private sources. The list retains some current impact fee projects since they are not complete and have remaining capacity available for new growth. Other projects were removed or added to the list, as itemized below.

Projects that were constructed and were removed:

- East/West (Borgen) Road Construction (Phase 1)
- Point Fosdick Drive Improvements (Phase 1)
- East/West (Borgen) Road Construction (Phase 2)

Projects that were not constructed and were removed:

- Point Fosdick Drive Improvements (Phase 2)
- Crescent Valley Connector
- North-South Connector
- Hunt Street crossing

Projects that have been added:

- SR 16/Borgen/Canterwood Interim Improvements
- 38th Avenue, Phase 1
- 38th Avenue, Phase 2
- Grandview Street, Phase 2
- Grandview Street, Phase 3
- 50th Street Improvements
- Hunt Street Phase 1
- Wollochet Drive
- Rosedale Street, Phase 2
- Rosedale Street, Phase 3
- Hunt/Skansie Intersection Improvements

System Improvements

Washington State law (RCW 82.02.050) specifies that Transportation Impact Fees are to be expensed 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. Each project in Table 1 meets this requirement. One new street connection 50th Street Extension in the proposed impact fee project list will provide needed capacity and will help shift traffic away from other locations within the City.

Existing Conditions and Existing Deficiencies

Current traffic volume data was collected for each of the impact fee projects. Existing road capacity was compared to existing traffic volumes to determine the city share of capacity added by the street improvements needed to correct existing deficiencies. Two projects were shown with existing deficiencies. Table 2 provides a summary of existing capacity, existing volume and existing deficiency in PM peak hour trips.

Table 2. Level of Service Deficiency Analysis

| Impact Fee List ID | TIP No. | Route | From / To | Existing Road Capacity | Existing Traffic Volume | Existing Deficiency in Trips Over Capacity |
|--------------------|---------|----------------------------------|------------------------------------|------------------------|-------------------------|--------------------------------------------|
| 1 | 1 | Borgen / SR 16 / Canterwood | Interim Improvements | na | 2,530 | na |
| 2 | 3 | Olympic Drive / 56th Street | 38th Ave to Point Fosdick Drive | 1,800 | 1,721 | 0 |
| 3 | 4 | 56th Street / Pt. Fosdick Drive. | Olympic Drive to Olympic Drive | 1,200 | 264 | 0 |
| 4 | 5 | 38th Avenue Phase 1 | City Limits to 56th Street | 1,200 | 309 | 0 |
| 5 | 10 | Grandview Street Phase 2 | Pioneer Avenue to Stinson Avenue | 1,200 | 222 | 0 |
| 6 | 11 | Grandview Street Phase 3 | McDonald Avenue to Soundview Drive | 1,200 | 120 | 0 |
| 7 | 12 | 38th Avenue Phase 2 | 56th St to Hunt Street | 1,200 | 632 | 0 |
| 8 | 13 | 50th Court | Olympic Drive to 38th Street | 0 | 0 | 0 |
| 9 | 14 | Olympic / Hollycroft | Intersection | 1,200 | 1,272 | -72 |
| 10 | 19 | Rosedale Street Phase 2 | City Limits to SR 16 | 1,200 | 620 | 0 |
| 11 | 20 | Rosedale Street Phase 3 | SR 16 to Shirley Avenue | 1,200 | 569 | 0 |
| 12 | 21 | Hunt St Phase 1 | Skansie Avenue to Olympic | 1,200 | 709 | 0 |
| 13 | 22 | Wollochet Drive | Hunt Street to SR 16 | 1,200 | 1,339 | -139 |
| 14 | 25 | Hunt / Skansie | Intersection | 1,200 | 678 | 0 |
| 15 | 26 | Burnham Drive Phase 1 | Harborview Drive to Franklin Drive | 1,200 | 495 | 0 |
| 16 | 27 | Burnham Drive Phase 2 | Franklin Avenue to N-S Connector | 1,200 | 522 | 0 |
| 17 | 28 | Burnham Drive Phase 3 | N-S Connector to Borgen Blvd | 1,200 | 551 | 0 |

Existing deficiency costs are shown for informational purposes, but do not affect the growth share of the project list.

Travel Growth

The six-year travel growth used for the impact fee calculation was based upon the anticipated trip generation of un-built developments holding capacity reservation certificates and an estimate of additional development that would likely occur in the next six years. This estimate totaled 7,852 new trips citywide in the next six years.

The citywide traffic model was used to assign these trips to all city streets. The net increase in traffic volume on each street was used to determine the growth share for each street improvement.

Cost Allocation

The City uses an impact fee analysis based on a methodology that distinguishes between the cost of facility improvements that address existing deficiencies and those that are needed to serve new growth. The methodology used to determine the growth share is based upon the capacity added by the street improvement project and the proportion of that capacity used by the six-year traffic growth

forecast. Many of the projects have surplus capacity beyond the six year traffic growth forecast. Calculating the six-year growth share on the basis of the capacity used by the six year traffic forecast results in a proportional share calculation consistent with GMA requirements. This method uses only the traffic increase forecast for city growth related trips. Table 3 summarizes the proportionate share calculations.

Funding Sources

The City uses a variety of funding sources to create a balanced financial plan for the impact fee projects. Figure 2 provides a summary of the various sources identified in this section:

“Appropriated Funds” accounts for funds already on hand and available or designated to the impact fee projects. This includes money collected from previous impact fees and SEPA mitigation settlements and previous appropriations of City CIP funds for impact fee projects.

“City General Fund/Other” refers chiefly to future city funds which would come from the unrestricted general fund, by future budget decisions of the City. Other currently unknown or unspecified funding sources are accounted for here as well.

“New Grants” refers to future grants from regional, state, or federal agencies that the City expects to obtain for impact fee projects.

“County Share” refers to an anticipated amount of funds to be received from Pierce County through voluntary SEPA mitigation payments, including the future possibility of payments from developers in the County via interlocal agreement with Pierce County, as mitigation of the impacts of trips through the City that are generated outside the City. Future County generated increases in such travel were not modeled in the current six-year forecast. A special analysis of the existing citywide traffic model indicated that as a broad average, external through traffic accounted for 11 percent of the total travel on the city arterial street system. These trips are assumed to be in addition to the 6-year trip forecast used in the impact fee calculation. It is estimated that revenue equal to 11 percent of the city impact fee may be collected through SEPA mitigation agreements related to development in Pierce County. Figure 2 shows estimated receipts from this source equal to 11 percent of the \$16.8 million growth-related share from Table 3 from future county reimbursements. This corresponds to 3 percent of the total project costs in Figure 2.

“6-Year Impact Fees” shows the total amount of impact fees that would be received from the estimated six-year growth total, at the calculated cost per new trip of \$2,102.65 per peak hour trip.

“Future Impact Fees” accounts for the proportion of capacity provided by impact fee projects that would be available for use by additional future growth occurring after six years.

Figure 2. Impact Fee Project List Funding Sources

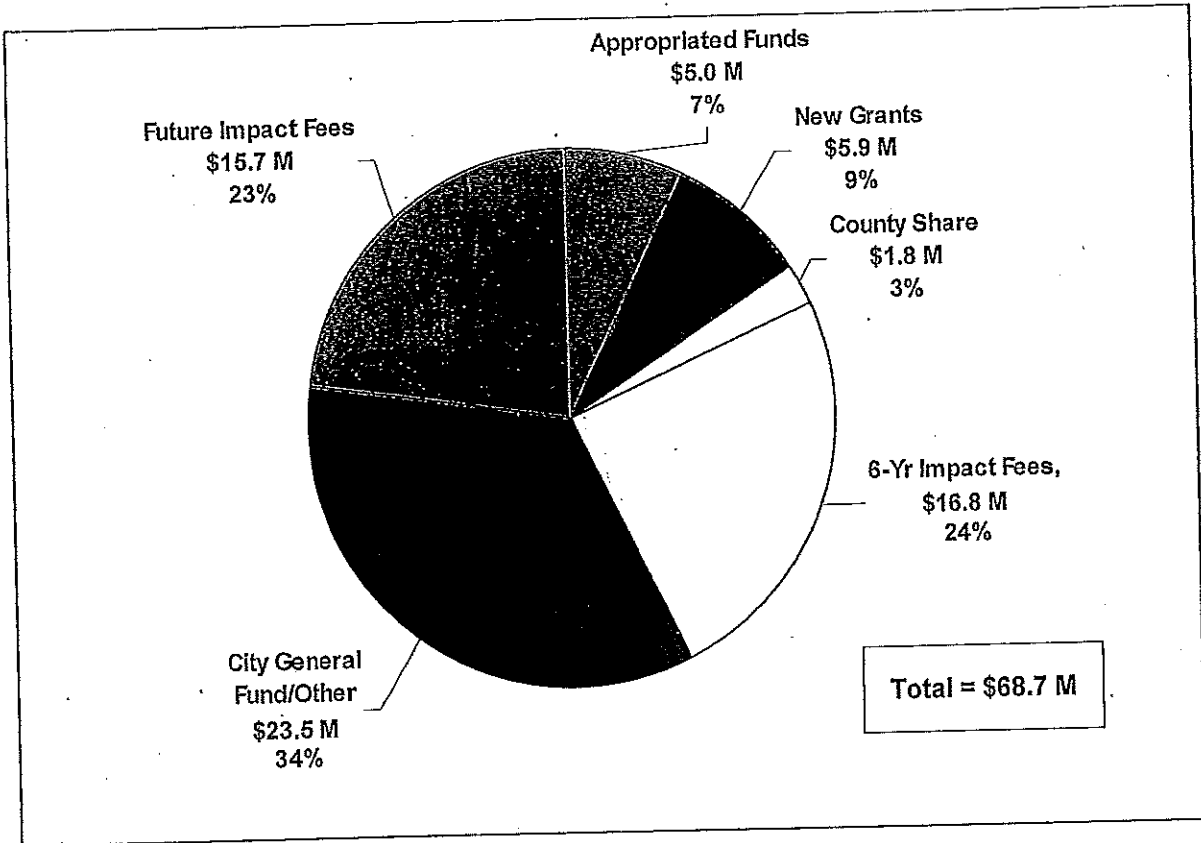


Table 3. Impact Fee Cost (2007 - 2012)

| Impact Fee List ID No. | Route | From / To | Capacity Improvements | Project Cost | Existing Road Capacity | Existing Traffic Volume | Existing Deficiency if < 0 | Future Street Capacity | Future Traffic Volume | Traffic Volume Increase by Project | Capacity Increase Provided by Project | % Increased Capacity Used | Share of Increased Capacity Cost |
|------------------------|--------------------------------|------------------------------------|-----------------------------------------------------------------------------------|-------------------|------------------------|-------------------------|----------------------------|------------------------|-----------------------|------------------------------------|---------------------------------------|---------------------------|----------------------------------|
| 1 | Borgen / SR16 / Canterwood | Interim Improvements | Increase intersection capacity at Borgen Roundabout, minor widening on Canterwood | 8,000,000 | NA | 2,530 | NA | NA | 5,226 | 2,696 | NA | NA | NA |
| 2 | Olympic Drive / 56th Street | 38th Avenue to Point Fosdick Drive | Major widening, 5 lanes, bike lanes, sidewalks | 6,042,000 | 1,800 | 1,721 | | 3,600 | 1,781 | 60 | 1,800 | 3% | \$201,400 |
| 3 | 56th Street / Pt Fosdick Drive | Olympic Drive to Olympic Drive | Minor widening, 3 lanes, bike lanes, sidewalks | 2,640,000 | 1,200 | 264 | | 1,800 | 371 | 107 | 600 | 18% | \$470,800 |
| 4 | 38th Avenue Phase 1 | City Limits to 56th Street | Minor widening, 3 lanes, bike lanes, sidewalk 1 side | 11,215,200 | 1,200 | 309 | | 1,800 | 346 | 37 | 600 | 6% | \$691,604 |
| 5 | Grandview Street Phase 2 | Pioneer Avenue to Stinson Avenue | Minor widening, bike lanes, sidewalk 1 side | 518,400 | 1,200 | 222 | | 1,600 | 256 | 34 | 400 | 9% | \$44,064 |
| 6 | Grandview Street Phase 3 | McDonald Avenue to Soundview Drive | Minor widening, bike lanes, sidewalks | 880,800 | 1,200 | 120 | | 1,600 | 113 | -7 | 400 | -2% | -\$15,414 |
| 7 | 38th Avenue Phase 2 | 56th Street to Hunt Street | Minor widening, bike lanes, sidewalk 1 side | 7,488,000 | 1,200 | 632 | | 1,600 | 767 | 135 | 400 | 34% | \$2,527,200 |
| 8 | 50th Court | Olympic Drive to 38th Street | New roadway | 960,000 | 0 | 0 | | 1,600 | 344 | 344 | 1,600 | 22% | \$206,400 |
| 9 | Olympic / Hollycroft | Intersection | Increase intersection capacity - single lane roundabout | 540,000 | 1,200 | 1,272 | -72 | 1,800 | 1,413 | 141 | 600 | 24% | \$126,900 |
| 10 | Rosedale Street Phase 2 | City Limits to SR 16 | Minor widening, left-turn pockets, bike lanes | 1,022,400 | 1,200 | 620 | | 1,800 | 639 | 19 | 600 | 3% | \$32,376 |
| 11 | Rosedale Street Phase 3 | SR 16 to Shirley Avenue | Minor widening, LT pockets, 1 bike lane, 1 sidewalk | 801,600 | 1,200 | 569 | | 1,800 | 937 | 368 | 600 | 61% | \$491,648 |
| 12 | Hunt Street Phase 1 | Skansie Avenue to 38th | Minor widening, 3 lanes, bike lanes, sidewalks | 6,912,000 | 1,200 | 709 | | 1,800 | 1,306 | 597 | 600 | 100% | \$6,877,440 |
| 13 | Wollochet Drive | Hunt Street to SR 16 | Major widening | 8,670,000 | 1,200 | 1,339 | -139 | 3,600 | 1,787 | 448 | 2,400 | 19% | \$1,618,400 |
| 14 | Hunt / Skansie | Intersection | Intersection capacity signal or roundabout | 1,728,000 | 1,200 | 678 | | 3,600 | 1,051 | 373 | 600 | 62% | \$1,074,240 |
| 15 | Burnham Drive Phase 1 | Harborview Drive to Franklin Drive | Major widening, sidewalks | 716,400 | 1,200 | 495 | | 1,800 | 657 | 162 | 600 | 27% | \$193,428 |
| 16 | Burnham Drive Phase 2 | Franklin Avenue to N-S Connector | Major widening, sidewalks | 4,075,200 | 1,200 | 522 | | 1,800 | 678 | 156 | 600 | 26% | \$1,059,552 |
| 17 | Burnham Drive Phase 3 | N-S Connector to Borgen Blvd | Major widening, sidewalks | 6,541,200 | 1,200 | 551 | | 1,800 | 684 | 113 | 600 | 19% | \$1,231,926 |
| TOTAL COSTS | | | | 68,751,200 | | | | | | | | | \$16,831,964 |

The final step in the cost allocation process calculates the "cost per new PM peak hour trip" within Gig Harbor, derived by dividing the total share of increased capacity cost by the number of six-year growth PM peak hour trips. This rate presumed that grants would cover only 9 percent of the City share of the project. Grants received in excess of 9 percent can go to reducing the City general fund contributions to the impact fee projects.

The analysis produced the following results.

| | |
|---------------------------------|----------------|
| Six-year TIP Fee Costs | \$ 16,831,964 |
| <u>Divided by new PM trips:</u> | <u>÷ 7,852</u> |
| Equals: | |
| Cost-per-New PM-Trip | \$ 2,143.65 |
| <u>Minus Fuel Tax Credit</u> | <u>41.00</u> |
| Final Cost per New PM Trip | \$ 2,102.65 |

The \$2,102.65 per PM peak hour trip fee is four times higher than the current rate of approximately \$517 per net new PM peak hour trip. The new trip cost reflects an updated impact fee project list with old projects removed, new projects added, and updated cost estimates. The new fee schedule is anticipated to pay for a higher proportion of project costs, resulting in a six-year fee collection of \$16.5 million, compared with the current program goal of around \$7.9 million. A summary of impact fees for other Washington jurisdictions is included as **Appendix A**.

IMPACT FEE SCHEDULE

The impact fee schedule was developed by adjusting the "cost per trip" information to reflect differences in trip generating characteristics for a variety of land use types within the study area. The Institute of Transportation Engineers Trip Generation Manual, 7th ed. was used to determine trip generation rates for the land use types. The fee schedule is a table where fees are represented as dollars per unit for each land use category. Certain land uses were modified, added, or removed from the current fee schedule to reflect recent development trends within the City and changes to the national trip generation database. **Table 4** shows the proposed transportation impact fee schedule.

Table 4. Proposed Transportation Impact Fee Schedule (1 of 2)

| City of Gig Harbor | | | Base Impact Fee Per Trip: \$ 2,102.65 | | | | | |
|---------------------|-----------------------|------------------------------------|---------------------------------------|------------------------------|------------------------------------|----------------------------------------------|-----|---------|
| Land Use Group | ITE Code ¹ | ITE Land Use Category ¹ | ITE Trip Rate ² | % Pass by trips ³ | Net New Trips per Development Unit | Impact Fee per Development Unit ⁴ | | |
| Dwelling | 210 | Single Family House | 1.01 | 0% | 1.010 | \$ 2,124 | per | DU |
| Dwelling | 220 | Apartment | 0.62 | 0% | 0.620 | \$ 1,304 | per | DU |
| Dwelling | 231 | Low-Rise Condo / Townhouse | 0.78 | 0% | 0.780 | \$ 1,640 | per | DU |
| Dwelling | 240 | Mobile Home | 0.59 | 0% | 0.590 | \$ 1,241 | per | DU |
| Dwelling - Group | 251 | Sr. Housing Detached | 0.26 | 0% | 0.260 | \$ 547 | per | DU |
| Dwelling - Group | 252 | Sr. Housing Attached | 0.11 | 0% | 0.110 | \$ 231 | per | DU |
| Dwelling - Group | 253 | Congregate Care Facility | 0.17 | 0% | 0.170 | \$ 357 | per | DU |
| Dwelling - Group | 254 | Assisted Living (limited data) | 0.22 | 0% | 0.220 | \$ 463 | per | Bed |
| Dwelling - Group | 620 | Nursing Home | 0.22 | 0% | 0.220 | \$ 463 | per | Bed |
| Education | 520 | Public Elementary School | 1.19 ⁵ | 0% | 1.190 | \$ 2.50 | per | Sq. Ft. |
| Education | 522 | Public Middle School | 1.19 | 0% | 1.190 | \$ 2.50 | per | Sq. Ft. |
| Education | 530 | Public High School | 0.97 | 0% | 0.970 | \$ 2.04 | per | Sq. Ft. |
| Education | 534 | Private School K-8 (limited data) | 3.40 ⁵ | 0% | 3.400 | \$ 7.15 | per | Sq. Ft. |
| Education | 536 | Private School K-12 (limited data) | 2.75 ⁵ | 0% | 2.750 | \$ 5.78 | per | Sq. Ft. |
| Industrial | 110 | Light Industrial | 0.98 | 0% | 0.980 | \$ 2.06 | per | Sq. Ft. |
| Industrial | 130 | Industrial Park | 0.86 | 0% | 0.860 | \$ 1.81 | per | Sq. Ft. |
| Industrial | 140 | Manufacturing | 0.74 | 0% | 0.740 | \$ 1.56 | per | Sq. Ft. |
| Medical | 610 | Hospital | 1.18 | 0% | 1.180 | \$ 2.48 | per | Sq. Ft. |
| Medical | 630 | Clinic (limited data) | 5.18 | 0% | 5.180 | \$ 10.89 | per | Sq. Ft. |
| Medical | 720 | Medical/Dental Office | 3.72 | 0% | 3.720 | \$ 7.82 | per | Sq. Ft. |
| Office | 710 | General Office | 1.49 | 0% | 1.490 | \$ 3.13 | per | Sq. Ft. |
| Office | 715 | Single Tenant Office | 1.73 | 0% | 1.730 | \$ 3.64 | per | Sq. Ft. |
| Office | 750 | Office Park | 1.50 | 0% | 1.500 | \$ 3.15 | per | Sq. Ft. |
| Park and Ride | 090 | Park and Ride with Bus Service | 0.62 | 0% | 0.620 | \$ 1,304 | per | Space |
| Recreation | 420 | Marina (limited data) | 0.19 | 25% | 0.143 | \$ 300 | per | Slip |
| Recreation | 430 | Golf Course | 0.30 | 25% | 0.225 | \$ 473 | per | Acre |
| Recreation | 441 | Live Theater (limited data) | 0.02 | 25% | 0.015 | \$ 31.54 | per | Seat. |
| Recreation | 491 | Racquet Club | 0.64 ⁵ | 25% | 0.482 | \$ 1.01 | per | Sq. Ft. |
| Recreation | 492 | Health Fitness Club | 4.05 | 25% | 3.038 | \$ 6.39 | per | Sq. Ft. |
| Recreation | 495 | Recreational Community Center | 1.64 | 25% | 1.230 | \$ 2.59 | per | Sq. Ft. |
| Retail - Automotive | 853 | Convenience Market w/Gas Pumps | 19.22 | 66% | 6.535 | \$ 13,740 | per | VSP |
| Retail - Automotive | 941 | Quick Lube | 5.19 | 42% | 3.010 | \$ 6,329 | per | VSP |
| Retail - Automotive | 944 | Gas Station | 13.86 | 42% | 8.039 | \$ 16,903 | per | VSP |
| Retail - Automotive | 945 | Gas Station w/Convenience Market | 13.38 | 56% | 5.887 | \$ 12,379 | per | VSP |

¹ Institute of Transportation Engineers, Trip Generation (7th Edition)

² Trip generation rate per development unit, for PM Peak Hour of the adjacent street traffic (4-6 pm). Note: Sq. Ft. rate expressed per 1000 SF.

³ Average Pass-by Rates, per Trip Generation Handbook: an ITE Recommended Practice, March, 2001

⁴ DU = dwelling unit, Sq. Ft. = Square Feet, VSP = vehicle servicing position

⁵ Scaled to pm Peak Hour of Adjacent Street Traffic from pm Peak Hour of Generator

Table 4. Proposed Transportation Impact Fee Schedule (2 of 2)

| Land Use Group | ITE Code ¹ | ITE Land Use Category ¹ | ITE Trip Rate ² | % Pass by trips ³ | Net New Trips per Development Unit | Impact Fee per Development Unit ⁴ | | |
|---------------------|-----------------------|-----------------------------------------------|----------------------------|------------------------------|------------------------------------|----------------------------------------------|-----|---------|
| Retail - Automotive | 946 | Gas Station w/Convenience Market and Car Wash | 13.33 | 42% | 7.731 | \$ 16,256 | per | VSP |
| Retail - Automotive | 947 | Self Serve Car Wash | 5.54 | 42% | 3.213 | \$ 6,756 | per | VSP |
| Retail - Large | 445 | Multiplex Movie Theater | 5.22 | 34% | 3.445 | \$ 7.24 | per | Sq. Ft. |
| Retail - Large | 814 | Specialty Retail Center | 2.71 | 34% | 1.789 | \$ 3.76 | per | Sq. Ft. |
| Retail - Large | 815 | Free Standing Discount Store | 5.06 | 17% | 4.200 | \$ 8.83 | per | Sq. Ft. |
| Retail - Large | 850 | Supermarket | 10.45 | 36% | 6.688 | \$ 14.06 | per | Sq. Ft. |
| Retail - Large | 854 | Discount Supermarket | 8.90 | 9% | 8.099 | \$ 17.03 | per | Sq. Ft. |
| Retail - Large | 862 | Home Improvement Super Store | 2.45 | 48% | 1.274 | \$ 2.68 | per | Sq. Ft. |
| Retail - Large | 863 | Electronics Super Store | 4.50 | 40% | 2.700 | \$ 5.68 | per | Sq. Ft. |
| Retail - Large | 867 | Office Supply Superstore | 3.40 | 48% | 1.768 | \$ 3.72 | per | Sq. Ft. |
| Retail - Regional | 813 | Free Standing Discount Superstore | 3.87 | 34% | 2.554 | \$ 5.37 | per | Sq. Ft. |
| Retail - Regional | 820 | Shopping Center < 1 million Sq Ft | 3.75 | 34% | 2.475 | \$ 5.20 | per | Sq. Ft. |
| Retail - Regional | 861 | Discount Club | 4.24 | 34% | 2.798 | \$ 5.88 | per | Sq. Ft. |
| Retail - Small | 590 | Library | 7.09 | 0% | 7.090 | \$ 14.91 | per | Sq. Ft. |
| Retail - Small | 816 | Hardware/Paint Store | 4.84 | 43% | 2.759 | \$ 5.80 | per | Sq. Ft. |
| Retail - Small | 848 | Tire Store | 4.15 | 28% | 2.988 | \$ 6.28 | per | Sq. Ft. |
| Retail - Small | 849 | Tire Superstore | 2.11 | 28% | 1.519 | \$ 3.19 | per | Sq. Ft. |
| Retail - Small | 851 | Convenience Market | 52.41 | 24% | 39.832 | \$ 83.75 | per | Sq. Ft. |
| Retail - Small | 880 | Pharmacy/Drug Store | 8.42 | 49% | 4.294 | \$ 9.03 | per | Sq. Ft. |
| Retail - Small | 881 | Pharmacy/Drug Store w/Drive-up | 8.62 | 49% | 4.396 | \$ 9.24 | per | Sq. Ft. |
| Retail - Small | 896 | Video Rental Store | 13.60 | 49% | 6.936 | \$ 14.58 | per | Sq. Ft. |
| Retail - Small | 911 | Walk in Bank (limited data) | 33.15 | 47% | 17.570 | \$ 36.94 | per | Sq. Ft. |
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| Retail - Small | 932 | High Turnover Restaurant | 10.92 | 43% | 6.224 | \$ 13.09 | per | Sq. Ft. |
| Retail - Small | 933 | Fast Food | 26.15 | 49% | 13.337 | \$ 28.04 | per | Sq. Ft. |
| Retail - Small | 934 | Fast Food w/Drive up | 34.64 | 49% | 17.666 | \$ 37.15 | per | Sq. Ft. |
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| Services | 151 | Mini Warehouse | 0.26 | 0% | 0.260 | \$ 0.55 | per | Sq. Ft. |
| Services | 310 | Hotel | 0.59 | 0% | 0.590 | \$ 1241 | per | Room |
| Services | 320 | Motel | 0.47 | 0% | 0.470 | \$ 988 | per | Room |
| Services | 560 | Church over 20,000 Sq. Ft. | 0.66 | 0% | 0.660 | \$ 1.39 | per | Sq. Ft. |
| Services | 560 | Church under 20,000 Sq. Ft. | 0.66 | 0% | 0.660 | \$ 1.39 | per | Sq. Ft. |
| Services | 565 | Day Care Center | 13.18 | 75% | 3.295 | \$ 1.00 | per | Sq. Ft. |
| Services | 732 | US Post Office | 10.89 | 47% | 5.772 | \$ 12.14 | per | Sq. Ft. |

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² Trip generation rate per development unit, for PM Peak Hour of the adjacent street traffic (4-6 pm). Note: Sq. Ft. rate expressed per 1000 SF.

³ Average Pass-by Rates, per Trip Generation Handbook: an ITE Recommended Practice, March, 2001

⁴ DU = dwelling unit, Sq. Ft. = Square Feet, VSP = vehicle servicing position

CONCLUSIONS

The City of Gig Harbor Transportation Impact Fee Program was adopted in 1999. The proposed impact fees have been increased to be consistent with current construction and regulatory costs and to account for the addition of new roadway projects to the impact fee list. The impact fee rate schedule (Table 4) lists the impact fees to be charged to a variety of land use types. The rates reflect changes in the average "cost per trip" as well as updates to trip generation rates and categories from ITE. The proposed City impact fee rates are anticipated to generate \$16.5 million over the next six years, representing around approximately 24 percent of total funding needs for the projects on the impact fee list.

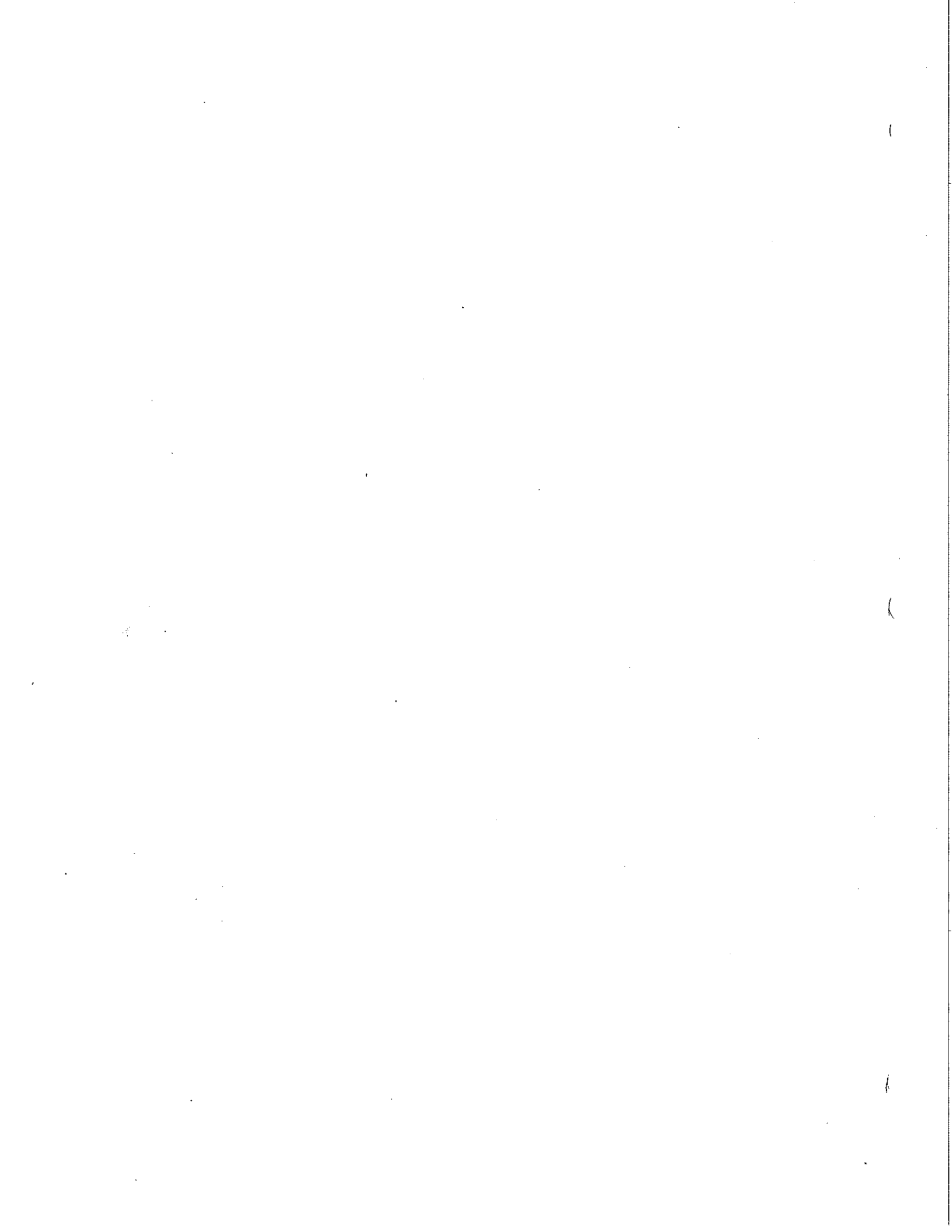
Figure 2 identifies another \$15.7 million or 23 percent of the impact fee project costs that could be collected from development that occurs beyond the 7,852 PM peak trips assumed for this calculation. This could occur if growth occurs faster than anticipated in the next 6-years, (more than 7,852 new trips) or the city can continue to charge future development, beyond 6-years for the cost of the capacity provided by the current impact fee projects and used by future growth.

APPENDIX A

TRANSPORTATION IMPACT FEES FOR VARIOUS CITIES IN WESTERN WASHINGTON

| City | Single Family Residence Impact Fee | Estimated Population | Source (Date of Fee) |
|---------------|------------------------------------|----------------------|-------------------------------------|
| Anacortes | \$900 | 16,000 | MRSC GMA Impact Fees Summary (2004) |
| Bothell | \$2,090 | 31,000 | 2005 National Impact Fee Survey |
| Brier | \$3,000 | 6,300 | MRSC GMA Impact Fees Summary (2004) |
| Camas | \$2,830 | 14,000 | Clark Co. Impact Fee Survey (2006) |
| Ferndale | \$1,600 | 10,000 | MRSC GMA Impact Fees Summary (2004) |
| Gig Harbor | \$517 | 6,700 | City of Gig Harbor (1999) |
| Gold Bar | \$625 | 2,300 | MRSC GMA Impact Fees Summary (2004) |
| Granite Falls | \$2,500 | 2,900 | MRSC GMA Impact Fees Summary (2004) |
| Kenmore | \$2,275 | 19,500 | MRSC GMA Impact Fees Summary (2004) |
| Maple Valley | \$3,588 | 15,100 | MRSC GMA Impact Fees Summary (2004) |
| Marysville | \$1,542 | 29,900 | MRSC GMA Impact Fees Summary (2004) |
| Mount Vernon | \$2,989 | 29,300 | MRSC GMA Impact Fees Summary (2004) |
| Mt. Vista | \$3,040 | 6,000 | Clark Co. Impact Fee Survey (2006) |
| Pierce County | \$1,241 | 753,800 | Pierce County 2006 (TSA 2) |
| Sammamish | \$14,854 | 34,100 | City of Sammamish (2003) |
| Woodinville | \$3,175 | 9,900 | City of Woodinville (2006) |

Note: Highlighting is shown for readability purposes only.



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EXHIBIT A-1

Impact Fee Cost (2007 - 2012)

| Impact Fee List ID | TIP No. | Route | From / To | Capacity Improvements | Project Cost | Existing Road Capacity | Existing Traffic Volume | Existing Deficiency if < 0 | Future Street Capacity | Future Traffic Volume | Traffic Volume Increase | Capacity Increase Provided by Project | % Increased Capacity Used | Share of Increased Capacity Cost |
|--------------------|---------|----------------------------------|------------------------------------|-----------------------------------------------------------------------------------------|-------------------|------------------------|-------------------------|----------------------------|------------------------|-----------------------|-------------------------|---------------------------------------|---------------------------|----------------------------------|
| 1 | 1 | Borgen / SR16 / Canterwood | Interim Improvements | Increase intersection capacity at Borgen Roundabout, minor widening on Canterwood Drive | 8,000,000 | NA | 2,530 | NA | NA | 5,226 | 2,696 | NA | NA | NA |
| 2 | 3 | Olympic Drive / 56th Street | 38th Avenue to Point Fosdick Drive | Major widening, 5 lanes, bike lanes, sidewalks | 6,042,000 | 1,800 | 1,721 | | 3,600 | 1,781 | 60 | 1,800 | 3% | \$201,400 |
| 3 | 4 | 56th Street / Pt. Fosdick Drive. | Olympic Drive to Olympic Drive | Minor widening, 3 lanes, bike lanes, sidewalks | 2,640,000 | 1,200 | 264 | | 1,800 | 371 | 107 | 600 | 18% | \$470,800 |
| 4 | 5 | 38th Avenue Phase 1 | City Limits to 56th Street | Minor widening, 3 lanes, bike lanes, sidewalk 1 side | 11,215,200 | 1,200 | 309 | | 1,800 | 346 | 37 | 600 | 6% | \$691,604 |
| 5 | 10 | Grandview Street Phase 2 | Pioneer Avenue to Stinson Avenue | Minor widening, bike lanes, sidewalk 1 side | 518,400 | 1,200 | 222 | | 1,600 | 256 | 34 | 400 | 9% | \$44,064 |
| 6 | 11 | Grandview Street Phase 3 | McDonald Avenue to Soundview Drive | Minor widening, bike lanes, sidewalks | 880,800 | 1,200 | 120 | | 1,600 | 113 | -7 | 400 | -2% | -\$15,414 |
| 7 | 12 | 38th Avenue Phase 2 | 56th Street to Hunt Street | Minor widening, bike lanes, sidewalk 1 side | 7,488,000 | 1,200 | 632 | | 1,600 | 767 | 135 | 400 | 34% | \$2,527,200 |
| 8 | 13 | 50th Court | Olympic Drive to 38th Street | New roadway | 960,000 | 0 | 0 | | 1,600 | 344 | 344 | 1,600 | 22% | \$206,400 |
| 9 | 14 | Olympic / Hollycroft | Intersection | Increase intersection capacity - single lane roundabout | 540,000 | 1,200 | 1,272 | -72 | 1,800 | 1,413 | 141 | 600 | 24% | -\$126,900 |
| 10 | 19 | Rosedale Street Phase 2 | City Limits to SR 16 | Minor widening, left-turn pockets, bike lanes | 1,022,400 | 1,200 | 620 | | 1,800 | 639 | 19 | 600 | 3% | \$32,376 |
| 11 | 20 | Rosedale Street Phase 3 | SR 16 to Shirley Avenue | Minor widening, LT pockets, 1 bike lane, 1 sidewalk | 801,600 | 1,200 | 569 | | 1,800 | 937 | 368 | 600 | 61% | -\$491,648 |
| 12 | 21 | Hunt Street Phase 1 | Skansie Avenue to 38th | Minor widening, 3 lanes, bike lanes, sidewalks | 6,912,000 | 1,200 | 709 | | 1,800 | 1,306 | 597 | 600 | 100% | \$6,877,440 |
| 13 | 22 | Wollochet Drive | Hunt Street to SR 16 | Major widening | 8,670,000 | 1,200 | 1,339 | -139 | 3,600 | 1,787 | 448 | 2,400 | 19% | \$1,618,400 |
| 14 | 25 | Hunt / Skansie | Intersection | Intersection capacity signal or roundabout | 1,728,000 | 1,200 | 678 | | 3,600 | 1,051 | 373 | 600 | 62% | \$1,074,240 |
| 15 | 26 | Burnham Drive Phase 1 | Harborview Drive to Franklin Drive | Major widening, sidewalks | 716,400 | 1,200 | 495 | | 1,800 | 657 | 162 | 600 | 27% | \$193,428 |
| 16 | 27 | Burnham Drive Phase 2 | Franklin Avenue to N-S Connector | Major widening, sidewalks | 4,075,200 | 1,200 | 522 | | 1,800 | 678 | 156 | 600 | 26% | \$1,059,552 |
| 17 | 28 | Burnham Drive Phase 3 | N-S Connector to Borgen Blvd | Major widening, sidewalks | 6,541,200 | 1,200 | 551 | | 1,800 | 664 | 113 | 600 | 19% | \$1,231,926 |
| TOTAL COSTS | | | | | 68,751,200 | | | | | | | | | \$16,831,964 |

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Exhibit A-2 Impact Fee Cost Allocation (2007 - 2012) Formula

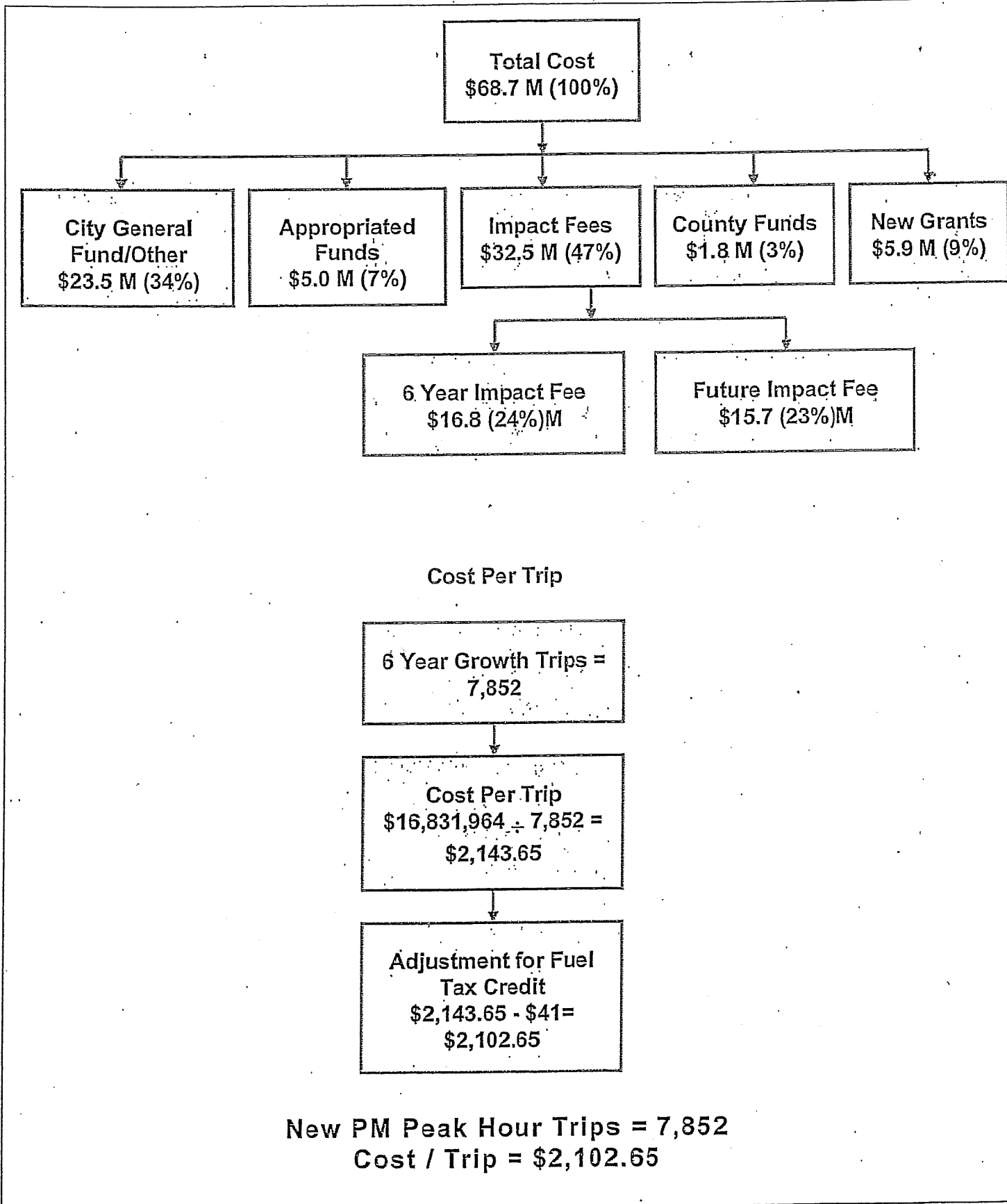


EXHIBIT A-3

Table 4. Proposed Transportation Impact Fee Schedule (1 of 2)

| City of Gig Harbor | | | Base Impact Fee Per Trip: \$ 2,102.65 | | | | | |
|---------------------|-----------------------|------------------------------------|---------------------------------------|------------------------------|------------------------------------|----------------------------------------------|-----|---------|
| Land Use Group | ITE Code ¹ | ITE Land Use Category ¹ | ITE Trip Rate ² | % Pass by trips ³ | Net New Trips per Development Unit | Impact Fee per Development Unit ⁴ | | |
| Dwelling | 210 | Single Family House | 1.01 | 0% | 1.010 | \$ 2,124 | per | DU |
| Dwelling | 220 | Apartment | 0.62 | 0% | 0.620 | \$ 1,304 | per | DU |
| Dwelling | 231 | Low-Rise Condo / Townhouse | 0.78 | 0% | 0.780 | \$ 1,640 | per | DU |
| Dwelling | 240 | Mobile Home | 0.59 | 0% | 0.590 | \$ 1,241 | per | DU |
| Dwelling - Group | 251 | Sr. Housing Detached | 0.26 | 0% | 0.260 | \$ 547 | per | DU |
| Dwelling - Group | 252 | Sr. Housing Attached | 0.11 | 0% | 0.110 | \$ 231 | per | DU |
| Dwelling - Group | 253 | Congregate Care Facility | 0.17 | 0% | 0.170 | \$ 357 | per | DU |
| Dwelling - Group | 254 | Assisted Living (limited data) | 0.22 | 0% | 0.220 | \$ 463 | per | Bed |
| Dwelling - Group | 620 | Nursing Home | 0.22 | 0% | 0.220 | \$ 463 | per | Bed |
| Education | 520 | Public Elementary School | 1.19 ⁵ | 0% | 1.190 | \$ 2.50 | per | Sq. Ft. |
| Education | 522 | Public Middle School | 1.19 | 0% | 1.190 | \$ 2.50 | per | Sq. Ft. |
| Education | 530 | Public High School | 0.97 | 0% | 0.970 | \$ 2.04 | per | Sq. Ft. |
| Education | 534 | Private School K-8 (limited data) | 3.40 ⁵ | 0% | 3.400 | \$ 7.15 | per | Sq. Ft. |
| Education | 536 | Private School K-12 (limited data) | 2.75 ⁵ | 0% | 2.750 | \$ 5.78 | per | Sq. Ft. |
| Industrial | 110 | Light Industrial | 0.98 | 0% | 0.980 | \$ 2.06 | per | Sq. Ft. |
| Industrial | 130 | Industrial Park | 0.86 | 0% | 0.860 | \$ 1.81 | per | Sq. Ft. |
| Industrial | 140 | Manufacturing | 0.74 | 0% | 0.740 | \$ 1.56 | per | Sq. Ft. |
| Medical | 610 | Hospital | 1.18 | 0% | 1.180 | \$ 2.48 | per | Sq. Ft. |
| Medical | 630 | Clinic (limited data) | 5.18 | 0% | 5.180 | \$ 10.89 | per | Sq. Ft. |
| Medical | 720 | Medical/Dental Office | 3.72 | 0% | 3.720 | \$ 7.82 | per | Sq. Ft. |
| Office | 710 | General Office | 1.49 | 0% | 1.490 | \$ 3.13 | per | Sq. Ft. |
| Office | 715 | Single Tenant Office | 1.73 | 0% | 1.730 | \$ 3.64 | per | Sq. Ft. |
| Office | 750 | Office Park | 1.50 | 0% | 1.500 | \$ 3.15 | per | Sq. Ft. |
| Park and Ride | 090 | Park and Ride with Bus Service | 0.62 | 0% | 0.620 | \$ 1,304 | per | Space |
| Recreation | 420 | Marina (limited data) | 0.19 | 25% | 0.143 | \$ 300 | per | Slip |
| Recreation | 430 | Golf Course | 0.30 | 25% | 0.225 | \$ 473 | per | Acre |
| Recreation | 441 | Live Theater (limited data) | 0.02 | 25% | 0.015 | \$ 31.54 | per | Seat |
| Recreation | 491 | Racquet Club | 0.64 ⁵ | 25% | 0.482 | \$ 1.01 | per | Sq. Ft. |
| Recreation | 492 | Health Fitness Club | 4.05 | 25% | 3.038 | \$ 6.39 | per | Sq. Ft. |
| Recreation | 495 | Recreational Community Center | 1.64 | 25% | 1.230 | \$ 2.59 | per | Sq. Ft. |
| Retail - Automotive | 853 | Convenience Market w/Gas Pumps | 19.22 | 66% | 6.535 | \$ 13,740 | per | VSP |
| Retail - Automotive | 941 | Quick Lube | 5.19 | 42% | 3.010 | \$ 6,329 | per | VSP |
| Retail - Automotive | 944 | Gas Station | 13.86 | 42% | 8.039 | \$ 16,903 | per | VSP |
| Retail - Automotive | 945 | Gas Station w/Convenience Market | 13.38 | 56% | 5.887 | \$ 12,379 | per | VSP |

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² Trip generation rate per development unit, for PM Peak Hour of the adjacent street traffic (4-6 pm). Note: Sq. Ft. rate expressed per 1000 SF.

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⁵ Scaled to pm Peak Hour of Adjacent Street Traffic from pm Peak Hour of Generator

EXHIBIT A-3

Table 4. Proposed Transportation Impact Fee Schedule (2 of 2)

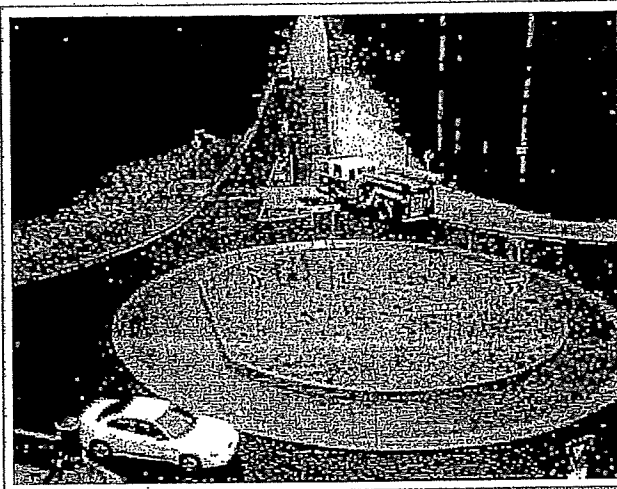
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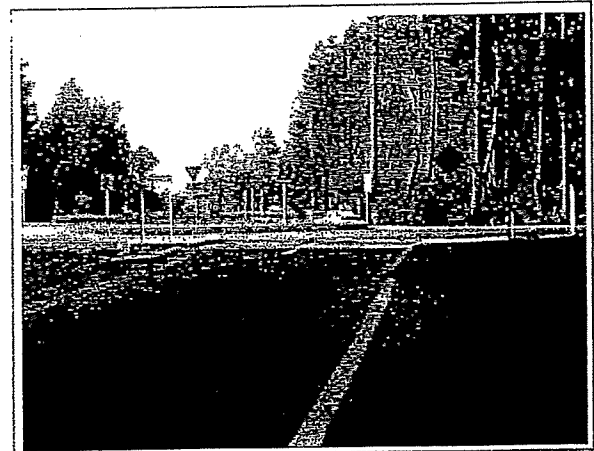
Transportation Impact
Fee Program
Update

March 2007



**DAVID EVANS
AND ASSOCIATES INC.**

415 - 118th Avenue SE
Bellevue Washington 98005-3518
Phone: 425.519.6500



INTRODUCTION

This report provides an update to the Transportation Impact Fee Program for the City of Gig Harbor. The update was prepared for the following reasons:

- The Growth Management Act requires regular updates to impact fee programs. The original Transportation Impact Fee program was adopted by the City Council in 1999.
- New projects have been added to the City's Capital Facilities Program (CFP), while projects currently on the impact fee project list have been completed.

The remaining sections of the report describe the impact fee program methodology, the analyses performed, and the resulting recommendations.

CITY OF GIG HARBOR REQUIREMENTS

City of Gig Harbor Traffic Impact Fee Update

This update to the City of Gig Harbor Traffic Impact Fee was prepared consistent with Ordinance No. 828, "Gig Harbor Impact Fee Ordinance", effective 12/15/99 as codified in Chapter 19.12 in Title 19 of the Gig Harbor Municipal Code and as amended by Ordinance No. 963 effective 7/26/04 and Ordinance No. 1017 effective 10/24/05.

The City's Traffic Impact Fee Ordinance No. 828, Section 2.B.1 requires that the Traffic Impact Fee is consistent with the Six-Year Road Plan and Transportation Element of the Comprehensive Plan.

This update to the impact fee is based upon the City's current 2007-2012 Six Year Transportation Improvement Plan (TIP) adopted by Resolution 685 on 8/28/06. The TIP in turn is based upon the latest update to the Transportation Element of the Comprehensive Plan. The long-range improvements to the SR 16 Burnham interchange are not included in this Impact Fee update. The interchange improvements are anticipated to be funded through a voluntary SEPA mitigation fee applicable to both city and county traffic, to be determined through ongoing planning and design of the interchange or equivalent improvements.

The City's Traffic Impact Fee Ordinance Section 2.B.2 requires that adequate levels of service are provided within the City.

The TIP projects that improve level of service through the provision of additional through lanes, additional turn lanes, expansion of intersections, or control of intersections by traffic signals or roundabouts, and/or provision of new roads to relieve congestion, are included in the impact fee update. Projects that are required for the maintenance of existing facilities, parking facilities, and non-motorized projects are not included.

The City's Traffic Impact Fee Ordinance Section 2.B.3 requires that new development bears its proportionate share of the capital costs of transportation facilities reasonably related to new development.

The update to the Traffic Impact Fee is based upon the City's new City Wide Traffic Model. The model was developed using VISUM, an internationally recognized traffic forecasting software package. The City's traffic model includes the city limits, the Urban Growth Area (UGA) adjacent to the City and external zones that replicate Pierce and Kitsap counties. The model includes 132 internal (City of Gig Harbor and UGA's) Traffic Analysis Zones (TAZ's), 75 adjacent Pierce County zones, 2 Kitsap County zones and 3 external zones.

The traffic model forecasts PM peak hour traffic volumes based upon land use consistent with existing and proposed development. An estimate of 7,852 PM peak hour trips was used to develop a six-year traffic growth forecast. This estimate was developed utilizing the following information:

- Current approved capacity reservation certificates consisting of 5,467 PM peak hour trips located primarily in the North Gig Harbor area.
- Anticipated growth within the next six years beyond approved capacity reservation certificates as of August 2006 consisting of 584 PM peak trips tied to specific planned development located in the Gig Harbor North area and 1,802 PM peak trips assumed in the Gig Harbor Westside area to account for future development outside the Gig Harbor North area.

The six-year traffic growth forecast was used to determine the proportionate share of the capital costs summarized in Table 1, "Project List", below, that are reasonably related to new growth.

Pierce County growth was not included in the six-year traffic forecast used for the impact fee calculation. It is assumed that county through trips will result in an additional 11 percent increase in traffic Citywide (665 trips) and that separate SEPA mitigation will be required to mitigate the impacts created by County generated traffic.

The City's Traffic Impact Fee Ordinance Section 2.B.4 requires that the City Pay its Fair Share of the Capital Cost of Transportation Projects.

The impact fee update excludes non-growth related transportation projects such as drainage and roadway rehabilitation projects. The impact fee is based upon growth's proportionate share of the capacity added by the impact fee projects. See Table 3 for the calculation of the growth share of capacity used and see Figure 2 for a summary of the funding sources used for the impact fee projects.

IMPACT FEE ANALYSIS

The impact fee structure for the City of Gig Harbor was designed to determine the proportionate share of improvement costs that may be charged to new development. The following key points summarize the impact fee structure:

- A six-year roadway facility list oriented to future growth is developed.

- Existing deficiencies are identified and separated from future trips on the roadway system.
- Future trips are allocated to geographic areas inside and outside the City using a traffic-forecasting model.
- A citywide fee system is established.
- A land use-based fee schedule is developed.

Each of the above elements is described in the following sections.

Impact Fee Project List

The updated impact fee project list was composed of selected capacity projects from the City's CFP, which covers a six-year period. The project list, shown in Table 1, includes 17 projects. These 17 projects are also shown in Figure 1.

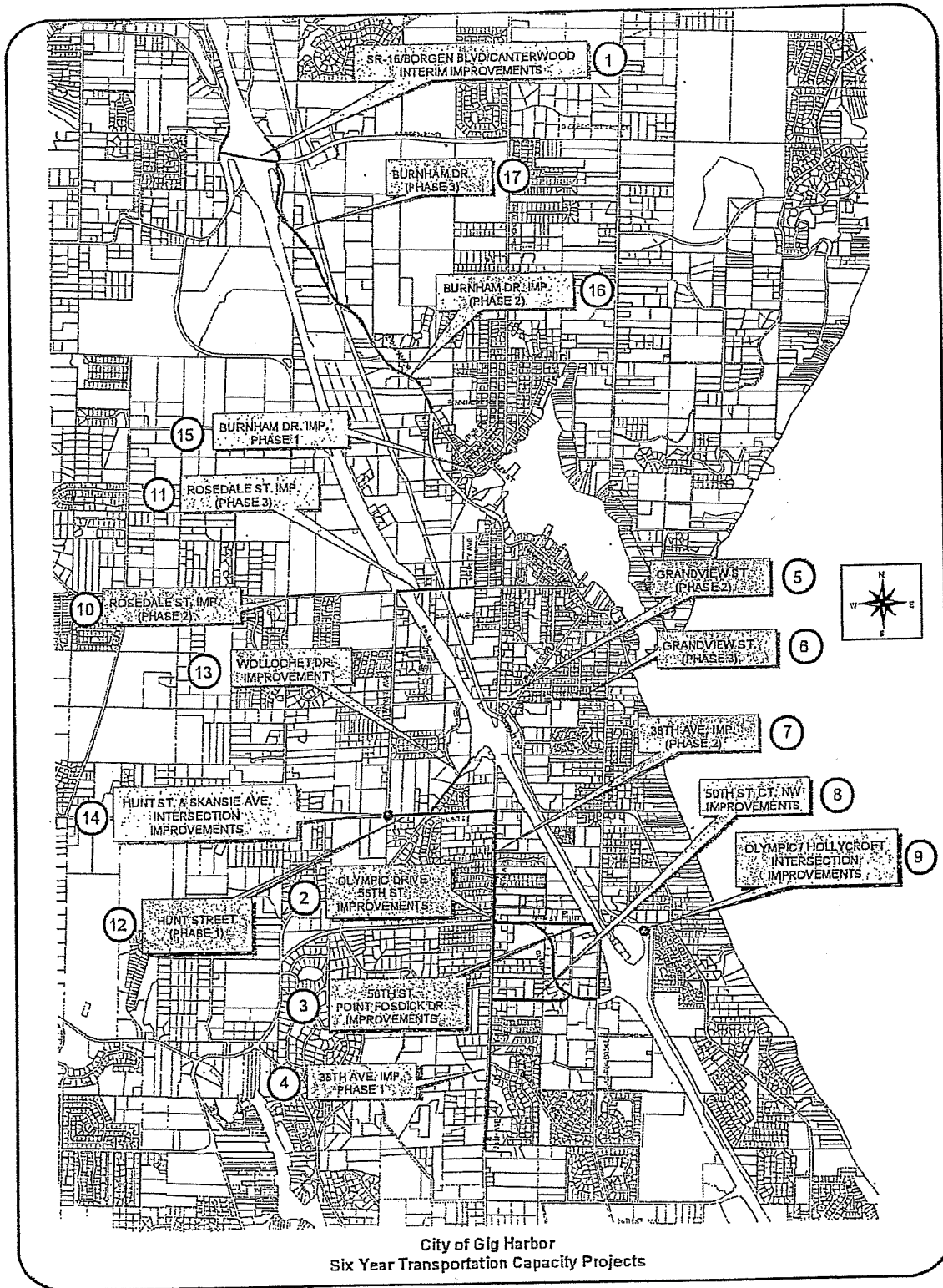
Project costs are based upon the TIP cost estimates and a construction cost inflation estimate of 20 percent to account for ongoing construction cost increases since the TIP was adopted in August 2006.

Table 1. Project List

| Impact Fee List ID | TIP No. | Route | From / To | Capacity Improvements | Project Cost |
|--------------------|---------|-------------------------------|---------------------------------|-----------------------------------------------------------------------------------|-------------------|
| 1 | 1 | Borgen / SR 16 / Canterwood | Interim Improvements | Increase intersection capacity at Borgen Roundabout, minor widening on Canterwood | 8,000,000 |
| 2 | 3 | Olympic Drive / 56th Street | 38th Ave to Point Fosdick Drive | Major widening, 5 lanes, bike lanes, sidewalks | 6,042,000 |
| 3 | 4 | 56th Street / Pt. Fosdick Dr. | Olympic Drive to Olympic Drive | Minor widening, 3 lanes, bike lanes, sidewalks | 2,640,000 |
| 4 | 5 | 38th Avenue Phase 1 | City Limits to 56th Street | Minor widening, 3 lanes, bike lanes, sidewalk 1 side | 11,215,200 |
| 5 | 10 | Grandview Street Phase 2 | Pioneer Ave to Stinson Ave | Minor widening, bike lanes, sidewalk 1 side | 518,400 |
| 6 | 11 | Grandview Street Phase 3 | McDonald Ave to Soundview Drive | Minor widening, bike lanes, sidewalks | 880,800 |
| 7 | 12 | 38th Avenue Phase 2 | 56th St to Hunt St | Minor widening, bike lanes, sidewalk 1 side | 7,488,000 |
| 8 | 13 | 50th Court | Olympic Drive to 38th Street | New roadway | 960,000 |
| 9 | 14 | Olympic / Hollycroft | Intersection | Increase intersection capacity - single lane roundabout | 540,000 |
| 10 | 19 | Rosedale Street Phase 2 | City Limits to SR 16 | Minor widening, left-turn pockets, bike lanes | 1,022,400 |
| 11 | 20 | Rosedale Street Phase 3 | SR 16 to Shirley Ave | Minor widening, LT pockets, 1 bike lane, 1 sidewalk | 801,600 |
| 12 | 21 | Hunt St Phase 1 | Skansie Ave to Olympic | Minor widening, 3 lanes, bike lanes, sidewalks | 6,912,000 |
| 13 | 22 | Wollochet Drive | Hunt St to SR 16 | Major widening | 8,670,000 |
| 14 | 25 | Hunt / Skansie | Intersection | Intersection capacity signal or roundabout | 1,728,000 |
| 15 | 26 | Burnham Drive Phase 1 | Harborview Dr to Franklin Dr | Major widening, sidewalks | 716,400 |
| 16 | 27 | Burnham Drive Phase 2 | Franklin Ave to N-S Connector | Major widening, sidewalks | 4,075,200 |
| 17 | 28 | Burnham Drive Phase 3 | N-S Connector to Borgen Blvd | Major widening, sidewalks | 6,541,200 |
| TOTAL COSTS | | | | | 68,751,200 |

Note: Refer to Figure 1 for the Project Map.

Figure 1. City of Gig Harbor Impact Fee Projects



During the City's transportation planning process, the City identified the projects in Table 1 as those to be constructed in the next six-years to support the six-year growth forecast and provide additional capacity to support future growth to meet the City's adopted Level of Service (LOS) standards. These capital projects form the basis for the City's transportation program which includes public and private sources. The list retains some current impact fee projects since they are not complete and have remaining capacity available for new growth. Other projects were removed or added to the list, as itemized below.

Projects that were constructed and were removed:

- East/West (Borgen) Road Construction (Phase 1)
- Point Fosdick Drive Improvements (Phase 1)
- East/West (Borgen) Road Construction (Phase 2)

Projects that were not constructed and were removed:

- Point Fosdick Drive Improvements (Phase 2)
- Crescent Valley Connector
- North-South Connector
- Hunt Street crossing

Projects that have been added:

- SR 16/Borgen/Canterwood Interim Improvements
- 38th Avenue, Phase 1
- 38th Avenue, Phase 2
- Grandview Street, Phase 2
- Grandview Street, Phase 3
- 50th Street Improvements
- Hunt Street Phase 1
- Wollochet Drive
- Rosedale Street, Phase 2
- Rosedale Street, Phase 3
- Hunt/Skansie Intersection Improvements

System Improvements

Washington State law (RCW 82.02.050) specifies that Transportation Impact Fees are to be expensed 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. Each project in Table 1 meets this requirement. One new street connection 50th Street Extension in the proposed impact fee project list will provide needed capacity and will help shift traffic away from other locations within the City.

Existing Conditions and Existing Deficiencies

Current traffic volume data was collected for each of the impact fee projects. Existing road capacity was compared to existing traffic volumes to determine the city share of capacity added by the street improvements needed to correct existing deficiencies. Two projects were shown with existing deficiencies. Table 2 provides a summary of existing capacity, existing volume and existing deficiency in PM peak hour trips.

Table 2. Level of Service Deficiency Analysis

| Impact Fee List ID | TIP No. | Route | From / To | Existing Road Capacity | Existing Traffic Volume | Existing Deficiency in Trips Over Capacity |
|--------------------|---------|----------------------------------|------------------------------------|------------------------|-------------------------|--------------------------------------------|
| 1 | 1 | Borgen / SR 16 / Canterwood | Interim Improvements | na | 2,530 | na |
| 2 | 3 | Olympic Drive / 56th Street | 38th Ave to Point Fosdick Drive | 1,800 | 1,721 | 0 |
| 3 | 4 | 56th Street / Pt. Fosdick Drive. | Olympic Drive to Olympic Drive | 1,200 | 264 | 0 |
| 4 | 5 | 38th Avenue Phase 1 | City Limits to 56th Street | 1,200 | 309 | 0 |
| 5 | 10 | Grandview Street Phase 2 | Pioneer Avenue to Stinson Avenue | 1,200 | 222 | 0 |
| 6 | 11 | Grandview Street Phase 3 | McDonald Avenue to Soundview Drive | 1,200 | 120 | 0 |
| 7 | 12 | 38th Avenue Phase 2 | 56th St to Hunt Street | 1,200 | 632 | 0 |
| 8 | 13 | 50th Court | Olympic Drive to 38th Street | 0 | 0 | 0 |
| 9 | 14 | Olympic / Hollycroft | Intersection | 1,200 | 1,272 | -72 |
| 10 | 19 | Rosedale Street Phase 2 | City Limits to SR 16 | 1,200 | 620 | 0 |
| 11 | 20 | Rosedale Street Phase 3 | SR 16 to Shirley Avenue | 1,200 | 569 | 0 |
| 12 | 21 | Hunt St Phase 1 | Skansie Avenue to Olympic | 1,200 | 709 | 0 |
| 13 | 22 | Wollochet Drive | Hunt Street to SR 16 | 1,200 | 1,339 | -139 |
| 14 | 25 | Hunt / Skansie | Intersection | 1,200 | 678 | 0 |
| 15 | 26 | Burnham Drive Phase 1 | Harborview Drive to Franklin Drive | 1,200 | 495 | 0 |
| 16 | 27 | Burnham Drive Phase 2 | Franklin Avenue to N-S Connector | 1,200 | 522 | 0 |
| 17 | 28 | Burnham Drive Phase 3 | N-S Connector to Borgen Blvd | 1,200 | 551 | 0 |

Existing deficiency costs are shown for informational purposes, but do not affect the growth share of the project list.

Travel Growth

The six-year travel growth used for the impact fee calculation was based upon the anticipated trip generation of un-built developments holding capacity reservation certificates and an estimate of additional development that would likely occur in the next six years. This estimate totaled 7,852 new trips citywide in the next six years.

The citywide traffic model was used to assign these trips to all city streets. The net increase in traffic volume on each street was used to determine the growth share for each street improvement.

Cost Allocation

The City uses an impact fee analysis based on a methodology that distinguishes between the cost of facility improvements that address existing deficiencies and those that are needed to serve new growth. The methodology used to determine the growth share is based upon the capacity added by the street improvement project and the proportion of that capacity used by the six-year traffic growth

forecast. Many of the projects have surplus capacity beyond the six year traffic growth forecast. Calculating the six-year growth share on the basis of the capacity used by the six year traffic forecast results in a proportional share calculation consistent with GMA requirements. This method uses only the traffic increase forecast for city growth related trips. Table 3 summarizes the proportionate share calculations.

Funding Sources

The City uses a variety of funding sources to create a balanced financial plan for the impact fee projects. Figure 2 provides a summary of the various sources identified in this section:

“Appropriated Funds” accounts for funds already on hand and available or designated to the impact fee projects. This includes money collected from previous impact fees and SEPA mitigation settlements and previous appropriations of City CIP funds for impact fee projects.

“City General Fund/Other” refers chiefly to future city funds which would come from the unrestricted general fund, by future budget decisions of the City. Other currently unknown or unspecified funding sources are accounted for here as well.

“New Grants” refers to future grants from regional, state, or federal agencies that the City expects to obtain for impact fee projects.

“County Share” refers to an anticipated amount of funds to be received from Pierce County through voluntary SEPA mitigation payments, including the future possibility of payments from developers in the County via interlocal agreement with Pierce County, as mitigation of the impacts of trips through the City that are generated outside the City. Future County generated increases in such travel were not modeled in the current six-year forecast. A special analysis of the existing citywide traffic model indicated that as a broad average, external through traffic accounted for 11 percent of the total travel on the city arterial street system. These trips are assumed to be in addition to the 6-year trip forecast used in the impact fee calculation. It is estimated that revenue equal to 11 percent of the city impact fee may be collected through SEPA mitigation agreements related to development in Pierce County. Figure 2 shows estimated receipts from this source equal to 11 percent of the \$16.8 million growth-related share from Table 3 from future county reimbursements. This corresponds to 3 percent of the total project costs in Figure 2.

“6-Year Impact Fees” shows the total amount of impact fees that would be received from the estimated six-year growth total, at the calculated cost per new trip of \$2,102.65 per peak hour trip.

“Future Impact Fees” accounts for the proportion of capacity provided by impact fee projects that would be available for use by additional future growth occurring after six years.

Figure 2. Impact Fee Project List Funding Sources

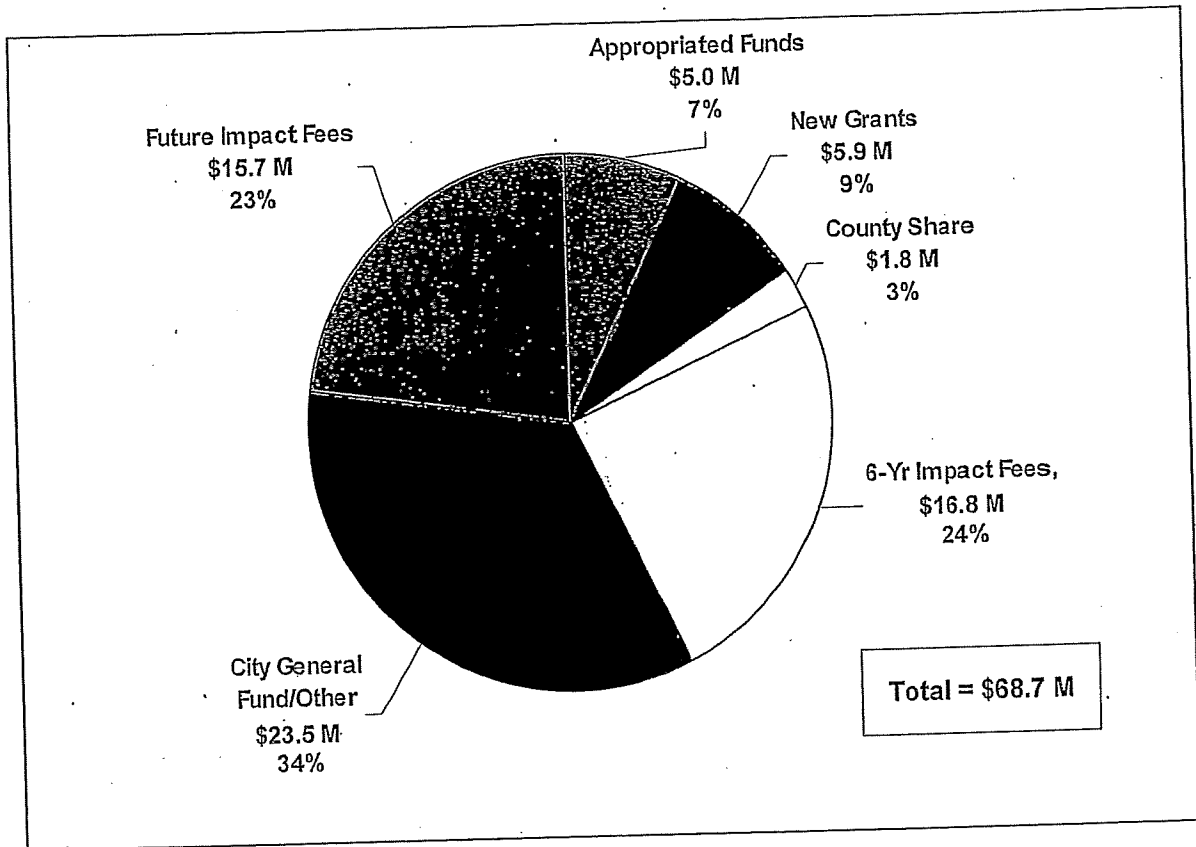


Table 3. Impact Fee Cost (2007 – 2012)

| Impact Fee List ID | TIP No. | Route | From / To | Capacity Improvements | Project Cost | Existing Road Capacity | Existing Traffic Volume | Existing Deficiency if < 0 | Future Street Capacity | Future Traffic Volume | Traffic Volume Increase by Project | Capacity Increase Provided | % Increased Capacity Used | Share of Increased Capacity Cost |
|--------------------|---------|----------------------------------|------------------------------------|-----------------------------------------------------------------------------------|-------------------|------------------------|-------------------------|----------------------------|------------------------|-----------------------|------------------------------------|----------------------------|---------------------------|----------------------------------|
| 1 | 1 | Borgen / SR16 / Canterwood | Interim Improvements | Increase intersection capacity at Borgen Roundabout, minor widening on Canterwood | 8,000,000 | NA | 2,530 | NA | NA | 5,226 | 2,696 | NA | NA | NA |
| 2 | 3 | Olympic Drive / 56th Street | 38th Avenue to Point Fosdick Drive | Major widening, 5 lanes, bike lanes, sidewalks | 6,042,000 | 1,800 | 1,721 | | 3,600 | 1,781 | 60 | 1,800 | 3% | \$201,400 |
| 3 | 4 | 56th Street / Pt. Fosdick Drive. | Olympic Drive to Olympic Drive | Minor widening, 3 lanes, bike lanes, sidewalks | 2,640,000 | 1,200 | 264 | | 1,800 | 371 | 107 | 600 | 18% | \$470,800 |
| 4 | 5 | 38th Avenue Phase 1 | City Limits to 56th Street | Minor widening, 3 lanes, bike lanes, sidewalk 1 side | 11,215,200 | 1,200 | 309 | | 1,800 | 346 | 37 | 600 | 6% | \$691,604 |
| 5 | 10 | Grandview Street Phase 2 | Pioneer Avenue to Stinson Avenue | Minor widening, bike lanes, sidewalk 1 side | 518,400 | 1,200 | 222 | | 1,600 | 256 | 34 | 400 | 9% | \$44,064 |
| 6 | 11 | Grandview Street Phase 3 | McDonald Avenue to Soundview Drive | Minor widening, bike lanes, sidewalks | 880,800 | 1,200 | 120 | | 1,600 | 113 | -7 | 400 | -2% | -\$15,414 |
| 7 | 12 | 38th Avenue Phase 2 | 56th Street to Hunt Street | Minor widening, bike lanes, sidewalk 1 side | 7,488,000 | 1,200 | 632 | | 1,600 | 767 | 135 | 400 | 34% | \$2,527,200 |
| 8 | 13 | 50th Court | Olympic Drive to 38th Street | New roadway | 960,000 | 0 | 0 | | 1,600 | 344 | 344 | 1,600 | 22% | \$206,400 |
| 9 | 14 | Olympic / Hollycroft | Intersection | Increase intersection capacity - single lane roundabout | 540,000 | 1,200 | 1,272 | -72 | 1,800 | 1,413 | 141 | 600 | 24% | \$126,900 |
| 10 | 19 | Rosedale Street Phase 2 | City Limits to SR 16 | Minor widening, left-turn pockets, bike lanes | 1,022,400 | 1,200 | 620 | | 1,800 | 639 | 19 | 600 | 3% | \$32,376 |
| 11 | 20 | Rosedale Street Phase 3 | SR 16 to Shirley Avenue | Minor widening, LT pockets, 1 bike lane, 1 sidewalk | 801,600 | 1,200 | 569 | | 1,800 | 937 | 368 | 600 | 61% | \$491,648 |
| 12 | 21 | Hunt Street Phase 1 | Skansie Avenue to 38th | Minor widening, 3 lanes, bike lanes, sidewalks | 6,912,000 | 1,200 | 709 | | 1,800 | 1,306 | 597 | 600 | 100% | \$6,877,440 |
| 13 | 22 | Wollochet Drive | Hunt Street to SR 16 | Major widening | 8,670,000 | 1,200 | 1,339 | -139 | 3,600 | 1,787 | 448 | 2,400 | 19% | \$1,618,400 |
| 14 | 25 | Hunt / Skansie | Intersection | Intersection capacity signal or roundabout | 1,728,000 | 1,200 | 678 | | 3,600 | 1,051 | 373 | 600 | 62% | \$1,074,240 |
| 15 | 26 | Burnham Drive Phase 1 | Harborview Drive to Franklin Drive | Major widening, sidewalks | 716,400 | 1,200 | 495 | | 1,800 | 657 | 162 | 600 | 27% | \$193,428 |
| 16 | 27 | Burnham Drive Phase 2 | Franklin Avenue to N-S Connector | Major widening, sidewalks | 4,075,200 | 1,200 | 522 | | 1,800 | 678 | 156 | 600 | 26% | \$1,059,552 |
| 17 | 28 | Burnham Drive Phase 3 | N-S Connector to Borgen Blvd | Major widening, sidewalks | 6,541,200 | 1,200 | 551 | | 1,800 | 664 | 113 | 600 | 19% | \$1,231,926 |
| TOTAL COSTS | | | | | 68,751,200 | | | | | | | | | \$16,831,964 |

The final step in the cost allocation process calculates the "cost per new PM peak hour trip" within Gig Harbor, derived by dividing the total share of increased capacity cost by the number of six-year growth PM peak hour trips. This rate presumed that grants would cover only 9 percent of the City share of the project. Grants received in excess of 9 percent can go to reducing the City general fund contributions to the impact fee projects.

The analysis produced the following results.

| | |
|---------------------------------|----------------|
| Six-year TIP Fee Costs | \$ 16,831,964 |
| <u>Divided by new PM trips:</u> | <u>÷ 7,852</u> |
| Equals: | |
| Cost-per-New PM-Trip | \$ 2,143.65 |
| <u>Minus Fuel Tax Credit</u> | <u>41.00</u> |
| Final Cost per New PM Trip | \$ 2,102.65 |

The \$2,102.65 per PM peak hour trip fee is four times higher than the current rate of approximately \$517 per net new PM peak hour trip. The new trip cost reflects an updated impact fee project list with old projects removed, new projects added, and updated cost estimates. The new fee schedule is anticipated to pay for a higher proportion of project costs, resulting in a six-year fee collection of \$16.5 million, compared with the current program goal of around \$7.9 million. A summary of impact fees for other Washington jurisdictions is included as Appendix A.

IMPACT FEE SCHEDULE

The impact fee schedule was developed by adjusting the "cost per trip" information to reflect differences in trip generating characteristics for a variety of land use types within the study area. The Institute of Transportation Engineers Trip Generation Manual, 7th ed. was used to determine trip generation rates for the land use types. The fee schedule is a table where fees are represented as dollars per unit for each land use category. Certain land uses were modified, added, or removed from the current fee schedule to reflect recent development trends within the City and changes to the national trip generation database. Table 4 shows the proposed transportation impact fee schedule.

Table 4. Proposed Transportation Impact Fee Schedule (1 of 2)

| City of Gig Harbor | | | Base Impact Fee Per Trip: \$ 2,102.65 | | | | | |
|---------------------|-----------------------|------------------------------------|---------------------------------------|------------------------------|------------------------------------|----------------------------------------------|-----|---------|
| Land Use Group | ITE Code ¹ | ITE Land Use Category ¹ | ITE Trip Rate ² | % Pass by trips ³ | Net New Trips per Development Unit | Impact Fee per Development Unit ⁴ | | |
| Dwelling | 210 | Single Family House | 1.01 | 0% | 1.010 | \$ 2,124 | per | DU |
| Dwelling | 220 | Apartment | 0.62 | 0% | 0.620 | \$ 1,304 | per | DU |
| Dwelling | 231 | Low-Rise Condo / Townhouse | 0.78 | 0% | 0.780 | \$ 1,640 | per | DU |
| Dwelling | 240 | Mobile Home | 0.59 | 0% | 0.590 | \$ 1,241 | per | DU |
| Dwelling - Group | 251 | Sr. Housing Detached | 0.26 | 0% | 0.260 | \$ 547 | per | DU |
| Dwelling - Group | 252 | Sr. Housing Attached | 0.11 | 0% | 0.110 | \$ 231 | per | DU |
| Dwelling - Group | 253 | Congregate Care Facility | 0.17 | 0% | 0.170 | \$ 357 | per | DU |
| Dwelling - Group | 254 | Assisted Living (limited data) | 0.22 | 0% | 0.220 | \$ 463 | per | Bed |
| Dwelling - Group | 620 | Nursing Home | 0.22 | 0% | 0.220 | \$ 463 | per | Bed |
| Education | 520 | Public Elementary School | 1.19 ⁵ | 0% | 1.190 | \$ 2.50 | per | Sq. Ft. |
| Education | 522 | Public Middle School | 1.19 | 0% | 1.190 | \$ 2.50 | per | Sq. Ft. |
| Education | 530 | Public High School | 0.97 | 0% | 0.970 | \$ 2.04 | per | Sq. Ft. |
| Education | 534 | Private School K-8 (limited data) | 3.40 ⁵ | 0% | 3.400 | \$ 7.15 | per | Sq. Ft. |
| Education | 536 | Private School K-12 (limited data) | 2.75 ⁵ | 0% | 2.750 | \$ 5.78 | per | Sq. Ft. |
| Industrial | 110 | Light Industrial | 0.98 | 0% | 0.980 | \$ 2.06 | per | Sq. Ft. |
| Industrial | 130 | Industrial Park | 0.86 | 0% | 0.860 | \$ 1.81 | per | Sq. Ft. |
| Industrial | 140 | Manufacturing | 0.74 | 0% | 0.740 | \$ 1.56 | per | Sq. Ft. |
| Medical | 610 | Hospital | 1.18 | 0% | 1.180 | \$ 2.48 | per | Sq. Ft. |
| Medical | 630 | Clinic (limited data) | 5.18 | 0% | 5.180 | \$ 10.89 | per | Sq. Ft. |
| Medical | 720 | Medical/Dental Office | 3.72 | 0% | 3.720 | \$ 7.82 | per | Sq. Ft. |
| Office | 710 | General Office | 1.49 | 0% | 1.490 | \$ 3.13 | per | Sq. Ft. |
| Office | 715 | Single Tenant Office | 1.73 | 0% | 1.730 | \$ 3.64 | per | Sq. Ft. |
| Office | 750 | Office Park | 1.50 | 0% | 1.500 | \$ 3.15 | per | Sq. Ft. |
| Park and Ride | 090 | Park and Ride with Bus Service | 0.62 | 0% | 0.620 | \$ 1,304 | per | Space |
| Recreation | 420 | Marina (limited data) | 0.19 | 25% | 0.143 | \$ 300 | per | Slip |
| Recreation | 430 | Golf Course | 0.30 | 25% | 0.225 | \$ 473 | per | Acre |
| Recreation | 441 | Live Theater (limited data) | 0.02 | 25% | 0.015 | \$ 31.54 | per | Seat. |
| Recreation | 491 | Racquet Club | 0.64 ⁵ | 25% | 0.482 | \$ 1.01 | per | Sq. Ft. |
| Recreation | 492 | Health Fitness Club | 4.05 | 25% | 3.038 | \$ 6.39 | per | Sq. Ft. |
| Recreation | 495 | Recreational Community Center | 1.64 | 25% | 1.230 | \$ 2.59 | per | Sq. Ft. |
| Retail - Automotive | 853 | Convenience Market w/Gas Pumps | 19.22 | 66% | 6.535 | \$ 13,740 | per | VSP |
| Retail - Automotive | 941 | Quick Lube | 5.19 | 42% | 3.010 | \$ 6,329 | per | VSP |
| Retail - Automotive | 944 | Gas Station | 13.86 | 42% | 8.039 | \$ 16,903 | per | VSP |
| Retail - Automotive | 945 | Gas Station w/Convenience Market | 13.38 | 56% | 5.887 | \$ 12,379 | per | VSP |

¹ Institute of Transportation Engineers, Trip Generation (7th Edition)

² Trip generation rate per development unit, for PM Peak Hour of the adjacent street traffic (4-6 pm). Note: Sq. Ft. rate expressed per 1000 SF.

³ Average Pass-by Rates, per Trip Generation Handbook: an ITE Recommended Practice, March, 2001

⁴ DU = dwelling unit, Sq. Ft. = Square Feet, VSP = vehicle servicing position

⁵ Scaled to pm Peak Hour of Adjacent Street Traffic from pm Peak Hour of Generator

Table 4. Proposed Transportation Impact Fee Schedule (2 of 2)

| Land Use Group | ITE Code ¹ | ITE Land Use Category ¹ | ITE Trip Rate ² | % Pass by trips ³ | Net New Trips per Development Unit | Impact Fee per Development Unit ⁴ | | |
|---------------------|-----------------------|-----------------------------------------------|----------------------------|------------------------------|------------------------------------|----------------------------------------------|-----|---------|
| Retail - Automotive | 946 | Gas Station w/Convenience Market and Car Wash | 13.33 | 42% | 7.731 | \$ 16,256 | per | VSP |
| Retail - Automotive | 947 | Self Serve Car Wash | 5.54 | 42% | 3.213 | \$ 6,756 | per | VSP |
| Retail - Large | 445 | Multiplex Movie Theater | 5.22 | 34% | 3.445 | \$ 7.24 | per | Sq. Ft. |
| Retail - Large | 814 | Specialty Retail Center | 2.71 | 34% | 1.789 | \$ 3.76 | per | Sq. Ft. |
| Retail - Large | 815 | Free Standing Discount Store | 5.06 | 17% | 4.200 | \$ 8.83 | per | Sq. Ft. |
| Retail - Large | 850 | Supermarket | 10.45 | 36% | 6.688 | \$ 14.06 | per | Sq. Ft. |
| Retail - Large | 854 | Discount Supermarket | 8.90 | 9% | 8.099 | \$ 17.03 | per | Sq. Ft. |
| Retail - Large | 862 | Home Improvement Super Store | 2.45 | 48% | 1.274 | \$ 2.68 | per | Sq. Ft. |
| Retail - Large | 863 | Electronics Super Store | 4.50 | 40% | 2.700 | \$ 5.68 | per | Sq. Ft. |
| Retail - Large | 867 | Office Supply Superstore | 3.40 | 48% | 1.768 | \$ 3.72 | per | Sq. Ft. |
| Retail - Regional | 813 | Free Standing Discount Superstore | 3.87 | 34% | 2.554 | \$ 5.37 | per | Sq. Ft. |
| Retail - Regional | 820 | Shopping Center < 1 million Sq Ft | 3.75 | 34% | 2.475 | \$ 5.20 | per | Sq. Ft. |
| Retail - Regional | 861 | Discount Club | 4.24 | 34% | 2.798 | \$ 5.88 | per | Sq. Ft. |
| Retail - Small | 590 | Library | 7.09 | 0% | 7.090 | \$ 14.91 | per | Sq. Ft. |
| Retail - Small | 816 | Hardware/Paint Store | 4.84 | 43% | 2.759 | \$ 5.80 | per | Sq. Ft. |
| Retail - Small | 848 | Tire Store | 4.15 | 28% | 2.988 | \$ 6.28 | per | Sq. Ft. |
| Retail - Small | 849 | Tire Superstore | 2.11 | 28% | 1.519 | \$ 3.19 | per | Sq. Ft. |
| Retail - Small | 851 | Convenience Market | 52.41 | 24% | 39.832 | \$ 83.75 | per | Sq. Ft. |
| Retail - Small | 880 | Pharmacy/Drug Store | 8.42 | 49% | 4.294 | \$ 9.03 | per | Sq. Ft. |
| Retail - Small | 881 | Pharmacy/Drug Store w/Drive-up | 8.62 | 49% | 4.396 | \$ 9.24 | per | Sq. Ft. |
| Retail - Small | 896 | Video Rental Store | 13.60 | 49% | 6.936 | \$ 14.58 | per | Sq. Ft. |
| Retail - Small | 911 | Walk in Bank (limited data) | 33.15 | 47% | 17.570 | \$ 36.94 | per | Sq. Ft. |
| Retail - Small | 912 | Drive-in Bank | 45.74 | 47% | 24.242 | \$ 50.97 | per | Sq. Ft. |
| Retail - Small | 931 | Quality Restaurant | 7.49 | 44% | 4.194 | \$ 8.82 | per | Sq. Ft. |
| Retail - Small | 932 | High Turnover Restaurant | 10.92 | 43% | 6.224 | \$ 13.09 | per | Sq. Ft. |
| Retail - Small | 933 | Fast Food | 26.15 | 49% | 13.337 | \$ 28.04 | per | Sq. Ft. |
| Retail - Small | 934 | Fast Food w/Drive up | 34.64 | 49% | 17.666 | \$ 37.15 | per | Sq. Ft. |
| Retail - Small | 936 | Drinking Place | 11.34 | 44% | 6.350 | \$ 13.35 | per | Sq. Ft. |
| Retail - Small | 942 | AutoCare | 3.38 | 28% | 2.434 | \$ 5.12 | per | Sq. Ft. |
| Services | 151 | Mini Warehouse | 0.26 | 0% | 0.260 | \$ 0.55 | per | Sq. Ft. |
| Services | 310 | Hotel | 0.59 | 0% | 0.590 | \$ 1241 | per | Room |
| Services | 320 | Motel | 0.47 | 0% | 0.470 | \$ 988 | per | Room |
| Services | 560 | Church over 20,000 Sq. Ft. | 0.66 | 0% | 0.660 | \$ 1.39 | per | Sq. Ft. |
| Services | 560 | Church under 20,000 Sq. Ft. | 0.66 | 0% | 0.660 | \$ 1.39 | per | Sq. Ft. |
| Services | 565 | Day Care Center | 13.18 | 75% | 3.295 | \$ 1.00 | per | Sq. Ft. |
| Services | 732 | US Post Office | 10.89 | 47% | 5.772 | \$ 12.14 | per | Sq. Ft. |

¹ Institute of Transportation Engineers, Trip Generation (7th Edition)

² Trip generation rate per development unit, for PM Peak Hour of the adjacent street traffic (4-6 pm). Note: Sq. Ft. rate expressed per 1000 SF.

³ Average Pass-by Rates, per Trip Generation Handbook: an ITE Recommended Practice, March, 2001

⁴ DU = dwelling unit, Sq. Ft. = Square Feet, VSP = vehicle servicing position

CONCLUSIONS

The City of Gig Harbor Transportation Impact Fee Program was adopted in 1999. The proposed impact fees have been increased to be consistent with current construction and regulatory costs and to account for the addition of new roadway projects to the impact fee list. The impact fee rate schedule (Table 4) lists the impact fees to be charged to a variety of land use types. The rates reflect changes in the average "cost per trip" as well as updates to trip generation rates and categories from ITE. The proposed City impact fee rates are anticipated to generate \$16.5 million over the next six years, representing around approximately 24 percent of total funding needs for the projects on the impact fee list.

Figure 2 identifies another \$15.7 million or 23 percent of the impact fee project costs that could be collected from development that occurs beyond the 7,852 PM peak trips assumed for this calculation. This could occur if growth occurs faster than anticipated in the next 6-years, (more than 7,852 new trips) or the city can continue to charge future development, beyond 6-years for the cost of the capacity provided by the current impact fee projects and used by future growth.

APPENDIX A

TRANSPORTATION IMPACT FEES FOR VARIOUS CITIES IN WESTERN WASHINGTON

| City | Single Family Residence Impact Fee | Estimated Population | Source (Date of Fee) |
|---------------|------------------------------------|----------------------|-------------------------------------|
| Anacortes | \$900 | 16,000 | MRSC GMA Impact Fees Summary (2004) |
| Bothell | \$2,090 | 31,000 | 2005 National Impact Fee Survey |
| Brier | \$3,000 | 6,300 | MRSC GMA Impact Fees Summary (2004) |
| Camas | \$2,830 | 14,000 | Clark Co. Impact Fee Survey (2006) |
| Ferndale | \$1,600 | 10,000 | MRSC GMA Impact Fees Summary (2004) |
| Gig Harbor | \$517 | 6,700 | City of Gig Harbor (1999) |
| Gold Bar | \$625 | 2,300 | MRSC GMA Impact Fees Summary (2004) |
| Granite Falls | \$2,500 | 2,900 | MRSC GMA Impact Fees Summary (2004) |
| Kenmore | \$2,275 | 19,500 | MRSC GMA Impact Fees Summary (2004) |
| Maple Valley | \$3,588 | 15,100 | MRSC GMA Impact Fees Summary (2004) |
| Marysville | \$1,542 | 29,900 | MRSC GMA Impact Fees Summary (2004) |
| Mount Vernon | \$2,989 | 29,300 | MRSC GMA Impact Fees Summary (2004) |
| Mt. Vista | \$3,040 | 6,000 | Clark Co. Impact Fee Survey (2006) |
| Pierce County | \$1,241 | 753,800 | Pierce County 2006 (TSA 2) |
| Sammamish | \$14,854 | 34,100 | City of Sammamish (2003) |
| Woodinville | \$3,175 | 9,900 | City of Woodinville (2006) |

Note: Highlighting is shown for readability purposes only.