



Memorandum

To: Mayor Backus
Council Members

From: James Webb, Senior Traffic Engineer, PE, PTOE

Date: May 4, 2021

Re: 2022-2027 Transportation Improvement Program and Transportation Impact Fees – Annual Update

ANNUAL TIP UPDATE

RCW 35.77.010 requires that the Six-Year Transportation Improvement Program (TIP) be amended annually by June 30.

The TIP is a multiyear planning tool and document for the near-term development of transportation facilities within the City. The TIP is proposed to be financially constrained for the entire six years of the TIP based on known and anticipated revenue and expenditure forecasts. Once the TIP is approved, projects are budgeted and funded through the City's biennial budget. The TIP sets priorities for the acquisition of project funding and is a prerequisite of most grant programs. Staff also uses the TIP to coordinate future transportation projects with needed utility improvements.

SUMMARY OF PROPOSED AMENDMENTS TO THE TIP

Removal of Projects

Projects anticipated to be complete in 2021 will be removed from the TIP and their TIP project numbers recycled. Projects are sometimes removed from the TIP for other reasons such as being combined with other projects or changing priorities and needs. The following projects are proposed to be removed from the TIP:

- TIP I-17: Citywide LED Street Lighting and Controls (\$2.7M) (Nearing Completion, will be complete in 2021)
- TIP N-3: Arterial Bicycle and Safety Improvement Program (\$0.1M) – Combined with N-1 Non-Motorized Safety Program, as described under Other Modifications
- TIP N-10: M Street SE Sidewalk Improvements (\$0.71M) (Beginning construction, will be complete in 2021)

- TIP P-7: 2021 Local Street Preservation Project (\$2.5M) (Beginning Construction, will be complete in 2021)
- TIP P-8: 2022 Local Street Preservation (\$1.65M) – The 2022 program funding is included with TIP P-1 Local Street Preservation. A stand-alone local street preservation project will not be pursued in 2022. Instead, local street preservation work will be incorporated into other projects such as the Water Utility's Lead Service Line Replacement Project (CP1922).
- TIP P-9: Lea Hill Bridge Deck Preservation (\$1.65M) (Beginning Construction, will be complete in 2021)
- TIP P-12: Lakeland Hills Way Preservation (\$0.65M) (Beginning Construction, will be complete in 2021)
- TIP P-13: 3rd Street SW Bridge Deck Preservation (\$1.45M) (Beginning Construction, will be complete in 2021)

New Projects – Grant Awards and Emerging Needs

The annual TIP update provides an opportunity to add projects to the TIP or to modify existing projects to reflect recent grant awards and other revenues. It also provides an opportunity to add new projects based on emerging needs. The 2022-2027 TIP includes the following proposed project additions:

- TIP R-4: A Street Loop – the project finances were updated to show \$1,125,000 of Federal grant funds awarded to the project in April 2021
- TIP R-6: AWS Widening (Hemlock to Poplar) - the project finances were updated to show \$3,608,232 of Federal grant funds awarded to the project in April of 2021
- TIP N-7: AWS Southside Sidewalk – the project finances were updated to show \$600,000 of State grant funds anticipated to be awarded to the project
- TIP I-9: Lea Hill ITS Expansion (\$0.60M) (Emerging Need)
- TIP N-5: Sidewalk and ADA Inventory (\$0.20M) (Emerging Need)

Other Modifications

Other changes proposed to be made as part of the annual update are to revise certain project descriptions, cost estimates, and anticipated funding sources to be more representative of project scopes and available funding sources, and to match the adopted Capital Facilities Plan. The most significant changes are listed below:

- TIP I-2: Annual Traffic Signal Improvement – No changes are proposed to the 2022 funding of \$100k. The current TIP shows alternating funding between \$200k and \$100k each year starting in 2023. The proposed TIP shows a funding level that starts at \$180k in 2023 and gradually increases to \$200k by 2027. Actual annual needs for the program have typically ranged from \$150k to \$200k.
- TIP N-1: Non-Motorized Safety Program – this is a new name for the program and is a combination of the Pedestrian Accessibility and Safety Program (N-1) and Arterial Bicycle and Safety Improvement Program (N-3). These programs were combined to provide more flexibility in how the funding can be used, and to combine the funding to allow more extensive improvements to be funded. Overall funding levels remain unchanged from the previous programs.
- TIP N-8: Evergreen SRTS – the scope of the project was revised to include the extension of the sidewalk to the west of Evergreen Heights Elementary to 51st Avenue S. The previously proposed roundabout and roadway realignment at 56th Avenue S

will be added to the comprehensive plan as a long-range project need. This change will allow the project to be more competitive for Safe Routes to Schools grant funding in 2022.

- TIP P-2: Local Street Preservation Program – From 2023 and beyond, annual expenditures were increased from \$1.65M to \$2.0M to reflect the program needs identified in the annual state of our streets report. The additional expenditure comes from spending down the existing fund balance. The program also anticipates that the program will continue to be funded beyond the 2021/22 budget, although the source of the anticipated \$1.5M annually that is currently funded by REET2 revenues is unknown at this time.
- TIP R-1: Neighborhood Traffic Calming Program – The current TIP has this program funded at \$10k per year through 2023 and at \$50k per year from 2024 and beyond. The proposed TIP shows funding the program at \$150k per year starting in 2022. The revised funding reflects the need for a modified and expanded program that is currently under development and will be presented in more detail later. The program shows an increase in annual funding to reflect the anticipated needs of the program and to provide the ability to fund a wider variety of traffic calming measures.

CURRENT STATUS AND NEXT STEPS:

Staff will continue to develop the 2022-2027 TIP update. Input from the Transportation Advisory Board and City Council will be incorporated, and adoption is anticipated to follow the schedule below.

- **JUNE 1, 2021:** SECOND TRANSPORTATION ADVISORY BOARD DISCUSSION
- **JUNE 7, 2021:** RESOLUTION TO SCHEDULE PUBLIC HEARING
- **JUNE 14, 2021:** SECOND COUNCIL STUDY SESSION (IF REQUIRED)
- **JUNE 21, 2021:** PUBLIC HEARING & RESOLUTION FOR ADOPTION

ANNUAL TRANSPORTATION FEE UPDATE

The most recent update to the City's transportation impact fee occurred on January 1, 2021 and was based on the funding needs identified in the current TIP (2021-2026). Transportation impact fees are generally updated annually with adoption of the City's fee schedule. The updates are required to stay current with the need to fund transportation projects which add capacity to accommodate current and forecast growth. A description of the updated transportation impact fee that is proposed to be included in the 2022 fee schedule follows:

TIP Funding Need

The proposed 2022-2027 TIP requires \$22.5M of transportation impact fee funding which reflects a 15% increase from the 2021-2026 TIP which required \$19.5M of transportation impact fee funding. A portion of this funding will be provided by previously collected traffic impact fees (approximately \$6.1M). The remaining portion (approximately \$16.4M) needs to be collected during the six years between 2022 and 2027 to fully fund the capacity projects proposed to be included in the TIP. This increase is the result of a combination of factors including the addition of new projects to the TIP, changes in funding needs for existing projects, and adjusting the TIP to maintain a positive balance in the traffic impact fee fund at the end of the six-year period covered by the TIP.

Number of Growth Trips

The proposed 2022 fee is based on the additional vehicle trips anticipated to be generated by growth within the City forecast during the six-year period covered by the TIP. This is based on the 2015 Comprehensive Transportation Plan, and the estimated number of trips generated by growth within the City in recent years. An annual average of 436 trips are forecast to be generated by growth occurring during the 2022-2027 TIP for a total of 2,616 trips. This represents a small reduction from the 2,634 total trips forecast during the 2021-2026 TIP.

Proposed Citywide Transportation Impact Fees

The current per trip fee is \$4,894.00. The proposal is to implement a gradual increase throughout the TIP period of 7% per year that would generate the revenue needed to fully fund the TIP.

A per trip fee of \$5,237 is proposed for 2022, a 7% increase from 2021 (\$4,894).

The updated PM peak hour trip amount will be utilized to adjust the detailed traffic impact fees included in the proposed 2022 fee schedule. The updated fee would be applicable to all new uses citywide except in the Lakeland Hills PUD and the Downtown Urban Center (DUC) zone.

Downtown Urban Center Zone Rate

To acknowledge the trip generation characteristics of the downtown urban center, the City added a second zone to the transportation impact fee program. The program charges reduced impact fees for development occurring in the downtown urban center. The applicable downtown area in which fees are reduced is shown in Figure 1.

Reduced impact fees for the downtown urban center account for anticipated reduced trip generation resulting from the availability of transit service (both bus and rail), the completeness of non-motorized facilities, and the proximity of complementary land-uses (retail, commercial, medical, etc.). This provides a better nexus between transportation impact fees and the impacts of development in the downtown urban center.

The following reductions are used for each land use category in the downtown urban center:

- ***Residential, Lodging, and Medical*** **-19%**
- ***Recreation, Institutional, Retail, and Service*** **-26%**
- ***Office*** **-32%**

National and local data was used to estimate the reductions for downtown land-uses in Auburn. This approach is consistent with other local jurisdictions, including Federal Way and Kent.

Lakeland Hills PUD Rate

Transportation mitigation fees for Lakeland Hills were established in 1998 by Resolution 2955. At that time, the initial impact fees were identified for detached single-family units, attached single-family and multi-family units, senior family residential units, and commercial and retail space. The

fees are updated annually based on the Consumer Price Index (CPI) for the Seattle-Metropolitan area. These fees will be updated closer to the end of the year when the CPI data is available.

TIF Comparison by Agency

Below is a comparison of the traffic impact fee for a single-family residential unit in several local cities in Puget Sound (listed from lowest to highest) compared with the proposed 2022 rate for Auburn:

Covington -	\$4,461 (2021)
Puyallup,	\$4,547.41 (unchanged from 2007)
Kent -	\$4,938.19 (2022)
Kirkland -	\$5,888 (2021)
Auburn -	\$6,048.74 (2022 proposed)
Federal Way-	\$7,054 (2021)
Bellevue -	\$7,271 (2022)
Bothell -	\$9,606 (2021)
Renton -	\$10,861.69 (2021/22)

The single-family residential rate presented above for Auburn is based on, but differs from the per trip fee presented in the traffic impact fee calculations. This is because the fees for individual land uses include adjustments for the number of new trips generated, average vehicle trip length, and the proportion of truck trips generated (for commercial developments). The list includes a mix of 2021 and 2022 rates because not all agencies have developed and published their 2022 rates.

For previous annual traffic impact fee updates, a chart showing the comparison of the basic transportation impact fee for 60 Western Washington Cities and five Counties was provided. However, this chart is not currently available.