

ORDINANCE NO. 2018 - 838

**AN ORDINANCE OF THE CITY OF MILL CREEK, WASHINGTON
REVISING THE TRAFFIC MITIGATION PROGRAM USED FOR
ASSESSING TRAFFIC MITIGATION FEES; ADOPTING NEW TRAFFIC
MITIGATION FEE ASSESSMENTS; AND ESTABLISHING AN
EFFECTIVE DATE**

WHEREAS, the City of Mill Creek has the authority to impose traffic mitigation fees under the State Environmental Policy Act ("SEPA"), RCW 43.21C, and Chapters 17.48 and 18.04 of the Mill Creek Municipal Code ("MCMC"); and

WHEREAS, the City's traffic mitigation program and fees are subject to periodic review and evaluation; and

WHEREAS, the City periodically updates and adjusts its six-year Transportation Improvement Program (TIP) in accordance with RCW 35.77.010, to keep current with changes in the City and surrounding jurisdictions; and

WHEREAS, the City's TIP was recently updated to include transportation improvements that will be needed by 2024 to support growth and development in an increasingly constrained transportation system and to meet the City's transportation goals and requirements; and

WHEREAS, The City has determined that the revised traffic mitigation program and fees set forth in **Exhibit A** hereto, attached and incorporated by this reference, together with the underlying technical information on file with the City, will properly allocate to new development and redevelopment a proportional share of the impacts and costs to the City's street and traffic network arising from said development and redevelopment, and further will enable the City to properly, effectively, and efficiently assess traffic mitigation fees; and

WHEREAS, the City Council has considered and adopted the 2019-2024 TIP and has reviewed the revised traffic mitigation program and fees as set forth in **Exhibit A**, and has evaluated the recommendation that the revised traffic mitigation program and fees as set forth in **Exhibit A**, together with the underlying technical information on file with the City, will properly allocate to new development and redevelopment their proportional share of the impacts and costs to the City's streets and traffic network arising from that development and redevelopment, and will allow the City to properly, effectively, and efficiently assess traffic mitigation fees; and

WHEREAS, the new mitigation fee as recommended in **Exhibit A** and adopted by the City Council not only reflects the proportional share of the impacts and costs to the City's streets and traffic network arising from development and redevelopment within the City, all in accordance with the City's longstanding traffic mitigation program and formulas, but has been further reduced in amount to insure its fairness to Mill Creek property owners and developers; and

WHEREAS, the City Council finds that the revised traffic mitigation program and fees as set forth in **Exhibit A** will properly allocate to new development and redevelopment their proportional share of the impacts and costs to the City's street and traffic network arising from that development and redevelopment, and will allow the City to properly, effectively, and efficiently assess traffic mitigation fees; and

WHEREAS, the City Council further finds that the revisions to the traffic mitigation program and fees adopted herein will advance the public health, safety and welfare, and will benefit the public and citizens of Mill Creek by ensuring that new development accounts for its proportional share of impacts and costs to the City's streets and traffic network arising from that new development; and

WHEREAS, this Ordinance, together with **Exhibit A** and the underlying technical information on file with the City of Mill Creek, should be adopted as substantive SEPA policies under MCMC Chapter 18.04 for the purpose of conditioning development and redevelopment within the City;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MILL CREEK, WASHINGTON, ORDAINS AS FOLLOWS:

Section 1. The traffic mitigation program and fees set forth in **Exhibit A**, attached and incorporated in full by this reference, together with the underlying technical information on file with the City, are hereby adopted for use by the City in evaluating and assessing traffic mitigation fees for all new development and redevelopment occurring within the City and within the City's Planning Influence Area Boundary lying in unincorporated Snohomish County.

Section 2. This Ordinance, together with attached **Exhibit A** and the underlying technical information on file with the City, are expressly adopted as and designated to be substantive SEPA policies under MCMC Chapter 18.04.

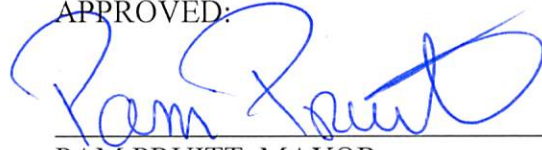
Section 3. The traffic mitigation program and fees adopted by this Ordinance shall become effective on the date specified in Section 5 below, and shall remain in effect until changed or modified by action of the City Council.

Section 4. If any section, subsection, paragraph, sentence, clause, or phrase of this Ordinance or its application to any person or situation be declared unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portion of this ordinance or its application to any other person or situation. The City Council of the City of Mill Creek hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase, or portion thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions be declared invalid or unconstitutional.

Section 5. This Ordinance shall take effect and be in full force five days after publication of the attached summary, which is hereby approved.

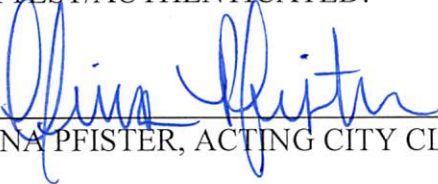
Adopted this 6th day of November, 2018 by a vote of 7 for, 0 against, and 0 abstaining.

APPROVED:



PAM PRUITT, MAYOR

ATTEST/AUTHENTICATED:



GINA PFISTER, ACTING CITY CLERK

APPROVED AS TO FORM:

N/A

OFFICE OF THE CITY ATTORNEY
OGDEN MURPHY WALLACE PLLC

FILED WITH THE CITY CLERK: 11/6/18
PASSED BY THE CITY COUNCIL: 11/6/18
PUBLISHED: 11/18/18
EFFECTIVE DATE: 11/23/18
ORDINANCE NO.: 2018-838

Exhibit A – Proposed Fee Program Methodology and Rate, dated October 17, 2018

MEMORANDUM

505 5th Avenue S, Suite 300, Seattle, WA 98104 | P 206.436.0515

To: Gina Hortillosa, PE, PMP
City of Mill Creek

From: Mike Hendrix, PE, PTOE

Date: October 17, 2018

Re: Task 6: Proposed Fee Program Methodology and Rate

INTRODUCTION

This memorandum details the update to the City of Mill Creek Transportation Mitigation Fee. The analysis methodology matches the procedure established by the July 14, 2011 Transportation Mitigation Fee program memorandum prepared by Perteet. This update supplies new input values for the variables that control the amount of the Fee. The following sections detail which variables were selected and why. The revised Transportation Mitigation Fee value is presented at the end.

EXISTING FEE PROGRAM METHODOLOGY

The methodology for establishing and updating the City of Mill Creek Transportation Mitigation Fee (TMF) was prepared by Perteet in a memorandum from July 14, 2011. This memorandum established the TMF as fixed-value, meaning that any trip produced by Mill Creek developments would be charged the same fee, regardless of the location of that development in the City. This is a standard practice for nearly all surrounding Puget Sound local agencies. The TMF is a function of three variables:

1. Capital project costs anticipated to be paid using TMF revenue, expressed as a dollar amount;
2. Local share of total trips, expressed as a decimal; and
3. Anticipated city-wide trip growth from internal developments during the duration of the TMF program, expressed as a number of trips.

To determine the TMF in dollars per trip, the following formula was developed in 2011.

$$\frac{\text{Capital Project Cost } [\$] * \text{Local Trip Share}}{\text{Trip Growth } [trips]} = \text{TMF } [\$/\text{trip}]$$

Each variable is described further below:

- Capital Project Cost. The capital project costs are the sum of capital project costs expected to be fulfilled by the TMF. Only capital projects directly related to trip growth are included. For example, the addition of a lane on a roadway experiencing delay because of trip growth is an acceptable capital project to have some or all of the costs covered by the TMF. However, the addition of a lane to mitigate an existing deficiency such as a safety issue is not applicable and TMF's cannot be used for that project.

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Many capital project budgets are a collection from various sources including other local funding such as transportation benefit districts, bonds or levies, state funding such as Transportation Improvement Board grants, and federal funding such as TIGER grants. Because of this, TMF's comprise a percentage of the total funding and are not expected to cover the project budget in its entirety. For Mill Creek, this was assumed to be 42%. Therefore, the capital project cost would be the total costs of growth related projects multiplied by 42%. This would account for the funding anticipated to be covered by the TMF.

- Local Trip Share. All public roadways are open to travelers from other jurisdictions. Travelers often use roadways through Mill Creek to access other parts of the county or to bypass congestion on other facilities such as interstate highways. Local trips are defined as a trip that has at least one node—origin, destination, or both—within Mill Creek City Limits. All other trips are considered external or pass-by trips. The Local Trip Share variable reflects the percentage of local trips out of the total trips through the City.

The local trip share is derived using Puget Sound Regional Council (PSRC) select link analysis data, which forecasts the percentage of trips on major Mill Creek roadways that involve travel outside of the City Limits.

This variable is included in the formula to reflect that the need for a project is not exclusively generated by local trips. As such, the project costs described above should not be the full responsibility of local trips. (Note that every trip that would be subject to a Mill Creek TMF is, by definition, a local trip because the development is within City Limits.)

- Trip Growth. The trip growth factor is the number of trips expected to be generated during the afternoon (PM) peak period. This number is developed from community plans and known up-coming developments. This information is provided by the City in a six-year planning document.

The trip growth is calculated based on City land use projections during the six-year plan. The 8th Edition of the *Trip Generation Manual* by the Institute of Transportation Engineers (ITE) provides accepted trip generation rates for various land use types and development sizes.

The City currently charges a TMF of \$3,000 per trip for developments within City Limits.

PROPOSED FEE PROGRAM METHODOLOGY

Capital Project Costs

The City of Mill Creek proposed 2019-2024 Transportation Improvement Plan (TIP) details upcoming projects with estimated costs. From discussions with Mill Creek staff, the following projects have been identified as being partially funded by traffic impact fees within the next six years. These projects have been selected because these projects are required due to the impact of trip growth in the City.

Table 2. TIP Transportation Projects.

Description	Cost Estimate
East Gateway Urban Village "Spine Road" West Connection (Phase 1)	\$ 5,000,000
East Gateway Urban Village "Spine Road" East Connection (Phase 2)	\$ 6,000,000
SR 96 at Dumas Road Intersection Improvements	\$ 5,390,000
SR 96 at 35th Avenue Intersection Improvements	\$ 3,460,000
SR 527 at 164th Street Intersection Improvements	\$ 2,090,000
SR 96 at SR 527 Intersection Improvements	\$9,460,000
Old Seattle Hill Road at SR 527 Intersection Improvements	\$ 1,150,000
164th Street SE at Mill Creek Boulevard Intersection Improvements	\$7,370,000
Total	\$ 39,920,000

Because the 2019 to 2024 TIP does not detail how much TMF funding will be applied to each project during that timeframe, this analysis assumed that 42% of the total cost will be covered by these fees as noted above. This share of capital improvements is consistent with other jurisdictions in the region.

The capital project cost variable will be entered into the fee equation as \$16,766,400 (i.e. \$39,920,000 x 0.42).

Local Trip Share

To determine the local trip share, data from roadway links near or within the City of Mill Creek were selected from PSRC. Note that the same four select link analysis locations were used as in the 2011 study. These links are listed below:

1. 164th Street SE, west of SR 527;
2. SR 527, north of 164th Street SE;
3. SR 96, east of I-5; and
4. SR 96, east of 35th Avenue SE.

Projected volumes at each of the select link analysis locations were provided by PSRC for 2010, 2020, and 2030. Values were interpolated to obtain values for the intermediate years of 2019 and 2024. Table 3 shows the aggregated local trip and pass-through trip values for each year.

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Table 3. Select Link Analysis Summary.

Trip Type	2010	2020	2030	2019	2024
164th Street SE, west of SR 527					
Local	3,303	3,341	3,454	3,337	3,386
Pass-Through	3,699	3,850	4,049	3,835	3,930
Link 2: SR 527, north of 164th Street SE					
Local	2,686	2,551	2,533	2,565	2,544
Pass-Through	2,331	2,829	3,070	2,779	2,925
Link 3: SR 96, east of I-5					
Local	3,571	3,069	3,027	3,119	3,052
Pass-Through	6,690	7,295	7,482	7,235	7,370
Link 4: SR 96, east of 35th Avenue SE					
Local	2,031	1,885	1,990	1,900	1,927
Pass-Through	5,249	4,894	5,075	4,930	4,966
Total, All Links					
Local	11,591	10,846	11,004	11,219	10,862
Pass-Through	17,969	18,868	19,676	18,419	18,949
Total Trips	29,560	29,714	30,680	29,699	30,100

Based on the PSRC data, the local trip percentages for 2019 and 2024 are 36.8% and 36.2%, respectively. Averaging these two values provides a data point that will span the five-year period. The average value is 36.5%. One challenge with using the PSRC data is the limited number of links near or within the City of Mill Creek. Additionally, the roadway links are mostly state routes which also serve as connections between other state highways such as Interstates 5 and 405. These volumes are biased for more through traffic. Roadways such as 35th Avenue SE and Seattle Hill Road are not captured in the PSRC data. The use of 36.5% local trip share is considered as a low value.

The local trip share variable will be entered into the fee equation as a decimal, 0.365.

Trip Developments

The number of new trips expected due to Mill Creek developments is based on a review of the vacant lands on which developments could be built. The City maintains a list of currently proposed developments that are in various stages of design, permitting, or construction. This list serves as the assumed project list for the next six years. While projects may be developed that are not currently on this list, some already included developments may not come to fruition. This procedure is consistent with the 2011 update effort.

The City's table provides general development types and areas. The *Trip Generation Manual* uses these two factors to predict the number of PM peak hour trips a development will produce on a given weekday. Trips are a function of square footage or acreage for commercial properties and number of dwelling units for residential developments. Table 4 shows the current development list with expected trip generation per the *Manual*. A map showing the location of these developments is attached to this memorandum.

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Table 4. Anticipated Trip Developments.

Development	Type	ITE Code	Size	Trips
A	Office/Retail	710/820	49,500 SF	265.70
B	Office/Retail	710/820	49,000 SF	264.08
C	Single Family Dwellings	210	25 units	31.58
D	Office/Retail	710/820	21,453 SF	164.83
E	Office/Retail	710/820	12,414 SF	124.96
F	Multi-Family Dwellings	230	50 units	52.87
G	Single Family Dwellings	210	24 units	30.47
H	Single Family Dwellings	210	21 units	27.09
I	Office	710	7,500 SF	87.21
J	Warehouse/Office	150/710	96,049 SF	122.22
K	Warehouse/Office	150/710	49,658 SF	86.25
L	Warehouse/Office	150/710	17,750 SF	59.20
M	Warehouse/Office	150/710	34,521 SF	73.82
N	Warehouse (75%) / Office (25%)	150/710	217,800 SF	154.22
Total				1,544.50

Rounded to the nearest 10 trips, the trip development variable will be entered into the fee equation as 1,550 trips.

Updated Fee Value

The updated fee value is based on the three variables outlined above. Multiplying the capital project cost (\$16,766,400) by the local trip share (0.365) and dividing by the trip developments (1,550) returns a revised trip fee.

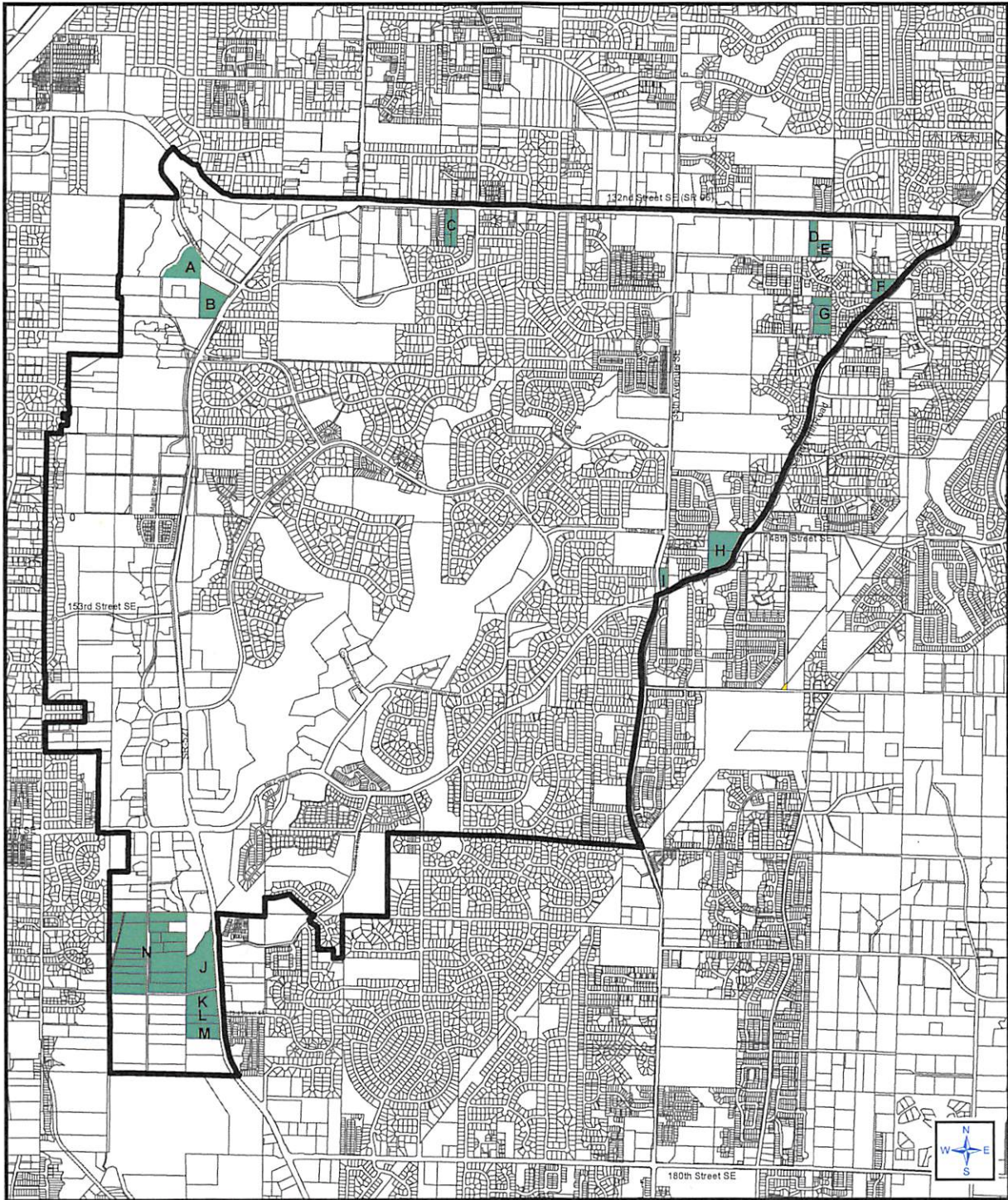
$$\frac{\text{Capital Project Cost } [\$] * \text{Local Trip Share}}{\text{Trip Growth } [trips]} = \text{TMF } [$/trip]$$




$$\frac{\$16,766,400 * 0.365}{1,550 \text{ trips}} = \$3,948.22 \text{ per trip}$$

The fee will be rounded down to the nearest 100 dollars.

The 2019 to 2024 Traffic Mitigation Fee for the City of Mill Creek is \$3,900 per trip.

Anticipated Development Sites



-  City Limits (4.68 SQ. Miles)
-  Municipal Urban Growth Area Boundary
-  Anticipated Development Sites

Note: This map is prepared with the property data and project status currently available to the City.