



Staff Report

TO: Clark County Council

FROM: Karl Johnson, Planning Commission Chair

PREPARED BY: Gary Albrecht

DATE: October 28, 2022

SUBJECT: CPZ2022-00007 Traffic Impact Fee Update and Capital Facilities Plan Amendment

PLANNING COMMISSION RECOMMENDATION

On October 20, 2021, the Planning Commission voted five to zero to approve the staff recommendation for the proposed amendments to the Traffic Impact Fee (TIF) rate and the 2020 Capital Facilities Plan (CFP).

PROPOSED ACTION

Clark County Public Works is requesting to amend the adopted traffic impact fee rate and amend the transportation costs in the adopted 2020 CFP.

Clark County Code 40.630.010 Impact Fee Revision supports periodically adjusting the Impact Fee rate to reflect changes caused by inflation. Proposed rate increases are based on inflation rates from the January Engineering News Record (ENR) Construction Cost Index (CCI) for Seattle which represents a 13.2% increase from the January 2020 CCI. Due to rounding, the exact percentage of increases varies slightly. Clark County’s TIF districts include the following four districts and their rates:

Traffic Impact Fee Rates, 2020 and 2022

TRAFFIC IMPACT FEE DISTRICT	2020 TIF Rate	2022 TIF Rate
Hazel Dell (Fund #3166)	\$487	\$551
Mt. Vista (Fund #3167)	\$930	\$1,053
Orchards (Fund #3168)	\$421	\$477
Rural (Fund #3169)	\$352	\$398

Note: Ord. 2020-02-02 adopts the 2020 TIF Rates.

ENR builds the construction cost to include 200 hours of common labor rates, and the price of steel and lumber. The CCI value for Seattle in 2022 is \$13,722.83, and the January 2020 CCI value is \$12,122.45, which represents a 13.2% increase from 2020. The proposed TIF rates are applied to the adopted CFP projects, reflecting a 13.2% increase of the construction cost index.

See Exhibit on page 7 for a TIF district map.

2020 Transportation Capital Facilities Plan
Adopted February 18, 2020 (Ord. 2020-02-02)

Transportation Project Cost Summary				
Road	From	To	Total Project Costs in 2020	Total Project Costs in 2022
TSO Projects (5)	Various		\$ 4,986,000	\$ 5,644,242
Highway 99	NE 99th St	Intersection	\$ 4,869,000	\$ 5,511,796
NE 99th St	NE 94th Ave	NE 117th Ave	\$ 15,869,000	\$ 17,963,994
NE 10th Ave	NE 149th St	NE 154th St	\$ 11,535,000	\$ 13,057,828
NE 179th St	NE Delfel Rd	NE 15th Ave	\$ 12,367,000	\$ 13,999,667
NE 119th St	NE 87th Ave	NE 112th Ave	\$ 12,395,000	\$ 14,031,363
NE 15th Ave	NE 179th St	NE 10th Ave	\$ 15,000,000	\$ 16,980,270
NE 72nd Ave	NE 122nd St	NE 133rd St	\$ 10,800,000	\$ 12,225,794
NE 152nd Ave	Padden Pkwy	NE 99th St	\$ 8,100,000	\$ 9,169,346
NE 119th St	NE 132nd Ave	Intersection	\$ 8,000,000	\$ 9,056,144
Ward Road	NE 162nd Ave	NE 172nd Ave	\$ 6,000,000	\$ 6,792,108
Ward Road	NE 172nd Ave	NE Davis Rd	\$ 7,000,000	\$ 7,924,126
NE 72nd Ave	NE 133rd St	NE 219th St	\$ 9,000,000	\$ 10,188,162
Urban Arterial Intersections	Minnehaha Street & NE 17th Avenue		\$ 15,000,000	\$ 16,980,270
	NE 87th Avenue & NE 63rd Street			
	NE 117th Street & NE Stutz Road			
	NW 36th Avenue & Bliss Road			
	NE 239th Street & NE 92nd Avenue			
NE 172nd Ave	NE Ward Rd	NE 119th St	\$ 6,000,000	\$ 6,792,108
NE 172nd Ave	NE 18th St	NE 39th St	\$ 4,000,000	\$ 4,528,072
Salmon Creek Avenue	WSU Entrance	West of 50th Ave	\$ 18,062,000	\$ 20,446,509
NW Lakeshore Ave	NW 78th St	NW 109th St	\$ 15,000,000	\$ 16,980,270
NE 179th St.	NE 15th Ave	NE 50th Ave	\$ 48,690,000	\$ 55,117,956
NW 179th St.	NW 11th Ave	Delfel Rd.	\$ 27,480,000	\$ 31,107,855
NE 10th Ave.	NE 164th St.	Amphitheater Entrance	\$ 7,130,000	\$ 8,071,288
NW 11th Ave.	NW 139th St.	NW 149th St.	\$ 13,640,000	\$ 15,440,726
Delfel Rd.	NE 179th St.	NE 189th St.	\$ 15,000,000	\$ 16,980,270
NE 137th/132nd Ave	NE 99th St.	NE 119th St	\$ 20,000,000	\$ 22,640,360
NE 99th St	NE 72nd Ave	NE 94th Ave	\$ 20,000,000	\$ 22,640,360
NE 10th Ave.	NE 139th St.	NE 141st St.	\$ 5,000,000	\$ 5,660,090
NE 179th St. and 29th Ave Intersection			\$ 9,000,000	\$ 10,188,162
NE 179th St. and 50th Ave Intersection			\$ 6,000,000	\$ 6,792,108
Subtotal Cost of New Projects			\$ 355,923,000	\$ 402,911,243

BACKGROUND

The Growth Management Act (GMA) (RCW 36.70A) requires a transportation element that contains a multiyear financing plan based on the needs identified in the Comprehensive Plan. Clark County’s transportation CFP serves as a 20-year transportation plan identifying the capital projects needed to serve the forecasted population and economic development. The

projects identified in the CFP address existing deficiencies, maintain existing capacity, are necessary to support development, enhance the community's quality of life and meet other identified needs.

With the 2019 update of the TIF program (Ordinance 2020-02-02), the Clark County Council approved adjusting the calculated per trip fee annually to account for inflation or deflation. Clark County Code 40.630.010 Impact Fee Revision indicates impact fee rates shall be adjusted periodically to reflect changes in costs of land acquisition and construction, facility-plan projects and anticipated growth. Due to impacts of the COVID-19 pandemic, a TIF update has not occurred since 2020.

Ordinance 2016-06-12 adopts the Traffic Impact Fee Technical Program Document providing the Impact Fee Inflation Methodology that serves as the provision for revising an impact fee rate, no more often than annually, to reflect change in the inflation index. The annual inflation adjustment is based on the January ENR CCI for Seattle.

Fee inflation methodology example:

The impact fee rates are per trip fees that are updated using the January ENR CCI for Seattle. Annual fee adjustments use the following formula:

$(\text{January CCI}) / (\text{base year CCI}) \times \text{district fee} = \text{inflation adjusted fee}$

January CCI = \$13,722.83

Base year CCI = \$12,122.45

District Fee = \$487

$(\$13,722.83 / \$12,122.45) \times \$487 = \551

The current CFP in the [2016 Clark County Comprehensive Growth Management Plan](#) was approved by the County Council on February 28, 2020 with the adoption of [ordinance No. 2020-02-02](#).

SUMMARY OF PUBLIC INVOLVEMENT PROCESS

A draft of the proposed changes to TIF and the CFP was sent to the Department of Commerce on September 12, 2022, in compliance with RCW 36.70A.106. A Notice of Determination of Non-Significance and SEPA Environmental Checklist were published in The Columbian newspaper on September 29, 2022. A legal notice was published for the Planning Commission hearing on October 20, 2022. Written public comments submitted to the Planning Commission are included in the Planning Commission hearing materials packet. A legal notice was published on October 28, 2022, for the County Council hearing. All public comments received prior to the County Council hearings are included in the County Council hearing materials packet.

APPLICABLE CRITERIA, EVALUATION AND FINDINGS

CRITERIA FOR CAPITAL FACILITIES PLAN CHANGES

The county shall review the CFP and proposed updates at least every four years in Type IV public hearings for facilities subject to county jurisdiction. In updating capital facilities plans, policies, and procedures, the county must determine that these updates are consistent with the GMA, Washington Administrative Code (WAC) and policies and implementation measures of the comprehensive plan, and conform with the purposes and intent of the applicable interjurisdictional agreements [CCC 40.560.010.M].

Growth Management Act (GMA) and Washington Administrative Code (WAC)

The GMA goals set the general direction for the county in adopting its framework plan and comprehensive plan policies. The following statutes and regulations apply to this proposal:

Goal #3 of the GMA addresses transportation. The goal guides local jurisdictions to "...encourage efficient multimodal transportation systems that are based on regional priorities and coordinated with county and city comprehensive plans," [RCW 36.70A.020 (3)].

Goal #12 of the GMA directly addresses public facilities and services. The goal guides local jurisdictions to "...ensure that those public facilities and services necessary to support development shall be adequate to serve the development at the time the development is available for occupancy and use without decreasing current service levels below locally established minimum standards," RCW 36.70A.020(12)].

RCW 36.70A.070(6) and WAC 365-196-415 (Capital Facilities Element section) include requirements and recommendations for meeting the GMA goals. WAC 365-196-415 requires that the capital facilities element of a comprehensive plan contain an inventory of existing capital facilities owned by public entities, a forecast of the future needs for such capital facilities based on the land use element of the comprehensive plan, the proposed locations and capacities of expanded or new facilities, at least a six-year plan to finance such capital facilities within projected funding capacities, and a requirement to reassess the land use element if probable funding falls short of meeting existing needs.

RCW 82.02.050 (4)(a) requires that impact fees shall be imposed for system improvements that are related to new development.

RCW 82.020.050 (5)(a) requires that impact fees must be used by capital facilities plan element of a comprehensive plan adopted under RCW 36.70A.070.

RCW 82.02.090(7) requires that Transportation Impact Fees must be used for "public streets and roads."

WAC 365-196-850 authorizes GMA counties to impose impact fees on development activities as part of public facilities financing.

Finding: On June 28, 2016, the Clark County Council approved ordinance No. 2016-06-12 adopting the 2016 Clark County Comprehensive Growth Management Plan (2016 Comp Plan), implementing the GMA requirement to "...review and revise, if needed," the county's growth plan. The 2016 Comp Plan included an inventory of existing transportation capital facilities, a

forecast of the future needs for transportation facilities, and the proposed locations and capacities of expanded or new facilities. The 2016 Comp Plan identifies strategies to balance the CFP if forecasted funding falls short of meeting expenditures, including increasing TIF rates [2016 Comp Plan, Page 162-163]. The six-year TIP includes TIFs as a revenue source to pay for new real estate development. The proposal to amend the CFP will increase the TIF rates for the Hazel Dell, Mt. Vista, Orchards and Rural TIF districts. The proposal will not amend the CFP transportation projects from the CFP approved in 2020. GMA authorizes counties to impose transportation impact fees on public roads that are identified in capital facilities elements of a comprehensive plan. Clark County Code 40.630.010 Impact Fee Revision indicates that impact fees shall be adjusted periodically to adjust for inflation. Adjusting the TIF rate for inflation supports balancing the CFP.

Comprehensive Growth Management Plan 2015-2035 (2016 Plan)

The 20-Year Comprehensive Growth Management Plan contains many policies that guide urban form and efficient land use patterns. The goals and policies applicable to this application are as follows:

“Goal: Develop a balanced finance program, which ensures that new development pays the costs of its impacts and that adequate public financing is pursued and available.

5.6.5 A proportionate share of funding for growth related roadway projects shall be obtained from Traffic Impact Fees,” [2016 Plan, page 156].

“Goal: Ensure that capital facilities and services are provided in as cost-efficient manner as possible and are consistent with the land use objectives of the 20-Year Plan and State Growth Management Act.

6.1.1 Continue to plan for and provide capital facilities and services as necessary to support development consistent with the 20-Year Plan and coordinate and facilitate the planning and provision of such facilities and services by other public or private entities,” [2016 Plan, page 184].

Finding: TIFs collected in the four adopted TIF districts help pay for growth related capital projects. Clark County Council approved the 2020 CFP on February 18, 2020. Revising the TIF to pay for capital projects listed in the 2020 CFP and adjusting for inflation provides an additional \$46,988,243 to pay for new capital projects listed in the 2020 CFP. The GMA requires the six-year transportation improvement plan to be financially constrained and balanced. The 2016 Plan projects a capital cost shortfall of \$158.1 million. The plan identifies updating the TIF rate as a strategy to increase revenue and reduce the projected plan shortfall. TIFs are the traffic impact component of a development impact fee adopted by ordinance. An impact fee is a fee levied on a developer by the county as partial compensation for expected impacts of the new development. An increase in TIF revenues will allow the identified capital facilities plan projects to maintain established level-of-service standards consistent with the land use plan. Amending the TIF rates and proposed CFP project cost amendments is consistent with polices in the 2016 Comp Plan.

Conclusion: The proposed amendments to the CFP and TIF rates are necessary to support urban development while maintaining level-of-service standards. The amended CFP meets the state requirements within RCW 36.70A.070(6), RCW 82.02.050 and WAC 365-196-415, and satisfies Goals 3 and 12 of the GMA. The GMA also enables the imposition of impact fees, which are used to finance the shortfall between revenue and the cost of the transportation

plan. The proposal is consistent with the 2016 Comp Plan, TIP, and the CFP to meet the demands of future growth while maintaining established level of service standards. The criterion in CCC 40.560.010.M applicable for this proposal have been met.

NEXT STEPS

The County Council will hold a public hearing on Nov. 15, 2022 to discuss these proposed amendments to TIF rates and the CFP.

RECOMMENDATION AND CONCLUSIONS

Based on the information and the findings presented in this report and supporting documents, the Planning Commission voted 5 to 0 to forward a recommendation of **APPROVAL** to the Clark County Council to amend the TIF rate and amend the 2020 CFP.

The following table lists the applicable criterion and summarizes the findings of the staff report and Planning Commission for CPZ2022-00007.






COMPLIANCE WITH APPLICABLE CRITERIA		
Criterion for Policy/Text Amendments	Criteria Met?	
	Staff Report	Planning Commission Findings
Consistency with GMA and WAC	Yes	Yes
20-Year Comprehensive Plan	Yes	Yes
Recommendation:	Approval	Approval

EXHIBIT

Clark County TIF Districts

Legend

Urban Growth Area (UGA) Boundary

-  Urban Growth Area (UGA) Boundary
-  Hazel Dell
-  Mt Vista
-  Orchards
-  Rural

