

Log #	Received From	Comment/Question	Staff/Consultant Response
1	Councilmember Reynolds	Please explain the 50% factor on Exhibit 5 page 40 for projects 16 and 17. I would have thought that the existing deficiency factor would be 100% when discussing shoulders that do not currently exist.	<p>The pedestrian and bicycle project existing deficiency factor is based on the need for the project. The City of Mercer Island is improving urban amenities on city streets to accommodate both its existing population and to prepare for future growth. As such, these projects are a shared investment between existing and future residents and the existing deficiency is 50 percent of the project cost.</p> <p>In looking at where the impact fee projects are located, many of them are either in town center or nearby schools and are being prioritized to accommodate growth.</p>
2	Councilmember Reynolds	Please explain how they came up with the 2044 population of 32,575. I see that about 1,949 comes from new housing units---seems plausible, But the balance of the growth(approx. 5000 based on a graph eyeball) seems to be around 5000. That seems HUGE – an incredible baby boom. How can we get comfort with that number?	On the graph, the dark blue “wedge” is a projection of population in existing housing units based upon past growth rates [using a simple ordinary least square regression as a line of best fit]. Please note that only new growth from development (the orange wedge on the graph) is included in the impact fee calculation (it is based on housing growth targets). As noted on page 8 of the study, “Should the change in the number of people living in current housing stock level off, the dark blue portion of Exhibit 4 will be reduced but would not affect the results of this study.”
3	Councilmember Reynolds	<p>The exhibit 9 costs for facility replacements seem REALLY low to me, especially in view of the budgets from the PROs plan. Can some easy comparisons be made, eg, comparing:</p> <p>(a) Value of sports fields to budget for field upgrades</p>	Costs for facility replacement were from WCIA and other example costs (e.g., Luther Burbank), and then adjusted for inflation. Upon review the consultant found a formula error and the inflation rate was not properly calculating. We have updated the rate study

		<p>(b) Value of docks to LB dock replacement cost estimates?</p> <p>Also, why is the value of MICEC not included in this table?</p>	<p>with the update, bringing the facility value to \$45 million.</p> <p>However, the proposed impact fee is based on the proposed parks level of service (LOS)/ PROS Plan and what the City can/desires to accomplish in 10 - 20 years. The proposed fee is the lesser of the LOS driven per capita fee <i>or</i> the capital list for capacity improvements that meets the City’s LOS. The capital list with capacity improvements is the deciding factor in this case.</p>
4	Councilmember Reynolds	<p>Why did the assessment per unit for multi-family units decrease so much more (as a percentage) since the old set of rates than it did for single family homes? Did the estimate of trip ends per housing unit change differently for the two types of housing? (See table on page 4 of Agenda Bill)</p>	<p>Since the last impact fee program was adopted, the Institute of Transportation Engineers has refreshed its data, including revising some of the use categories and removing old (pre-1980s) data. These updates have resulted in a lower estimate of trip generation for multifamily units, compared to the data that underlies the last study.</p>
5	Councilmember Reynolds	<p>It seems like we have a numerator / denominator inconsistency:</p> <p style="padding-left: 40px;">(1) The numerator of the cost per trip end is based on a six year TIP</p> <p>The denominator seems to be based on housing (and trip) growth over a 20 year period. (See table 3)</p> <p>Is this inconsistency deliberate? It seems to spread the 6 year cost over all new units over the next 20 years rather than just the growth over the next 6 years. Why does this make sense?</p>	<p>At the beginning of this project, the consultant worked closely with Public Works staff to update the list of projects that support the impact fee program. Key updates included:</p> <ol style="list-style-type: none"> <li>1. Removal of completed projects</li> <li>2. Removal of projects that are being funded by another agency, such as Sound Transit</li> <li>3. Revision of project scopes to reflect current plans</li> <li>4. Update of project costs</li> <li>5. Ensuring that all projects met eligibility criteria: can be included on the City’s capital facilities element, is within the right of way of streets and roads, and serves future growth.</li> </ol>

			The resulting list of projects are those that Public Works felt could be defensibly included in this program and would likely be funded over the next 20 years.
6	Councilmember Reynolds	Table 4 of the consultant report derives costs of \$4,153 per single family home and \$1,856 per multi-family unit. But page 4 of the agenda bill shows 4,418 and 1,856. I think the 4,418 is wrong—it is the number before multiplying by .94 trips per unit. Do you agree?	You are correct, this was a staff error. The table on page 4 of the agenda bill should show \$4,153 as the rate for a single-family home.
7	Councilmember Reynolds	Are we adopting all of Table 4 or just the single family and multi-family factors? For example, if someone builds senior housing, will we use the senior housing factor from table 4 or just treat it as multi-family housing?	<p>Table 4 of the consultant report is intended to serve as the basis for the new rates. This table is also supported by Exhibits D and E, which provide more detail on land uses and a crosswalk to land use codes in Mercer Island Municipal Code Title 19.</p> <p>Note that in the agenda bill only a subset of the use categories in Table 4 are included – this is to provide a simple comparison between the current rates and proposed rates and also aligns with the categories for the parks impact fee rates.</p>
8	Councilmember Reynolds	Can you offer any color on how the % factors in Exhibit B are developed? Some seem very counterintuitive.	<p>The factors shown in Exhibit B reflect eligibility reductions required by State Law.</p> <ul style="list-style-type: none"> <li>• The first reduction relates to deficiencies, essentially identifying the percentage that serves future capacity. The auto-oriented projects are all 100% eligible, since none of these facilities are currently failing the City’s standard. The ped/bike oriented projects are generally at 50%, in recognition that they will serve both existing and future users.</li> <li>• The next column shows the % of project users that are related to origins and destinations in</li> </ul>

			<p>the city. For the auto projects, the percentage was developed quantitatively using the travel model. For the bike and pedestrian oriented projects, more standard rule of thumb percentages were applied.</p> <p>We would be happy to provide more discussion around the factors shown in Exhibit B during the meeting.</p>
9	Councilmember Rosenbaum	For the transportation impact fee- what is the thought process behind reducing both the single and multi family rates? Are fewer dollars needed for transportation projects? Make it up in volume?	<p>The reduction in rates is simply an output of the eligible projects compared to the City’s anticipated growth over the next 20 years.</p> <p>At the beginning of this project, the consultant worked closely with Public Works staff to update the list of projects that support the impact fee program. Key updates included:</p> <ol style="list-style-type: none"> <li>1. Removal of completed projects</li> <li>2. Removal of projects that are being funded by another agency, such as Sound Transit</li> <li>3. Revision of project scopes to reflect current plans</li> <li>4. Update of project costs</li> <li>5. Ensuring that all projects met eligibility criteria: can be included on the City’s capital facilities element, is within the right of way of streets and roads, and serves future growth.</li> </ol> <p>The resulting list of projects are those that Public Works felt could be defensibly included in this program and would likely be funded over the next 20 years.</p>
10	Councilmember Nice	Is the “cycle track” in item 10 another name for a bike lane.	Yes, its essentially a two-way bike lane.

11	Councilmember Nice	Are items 12 and 13 are 2022 project builds.	Yes, these projects will be constructed in 2022.
12	Councilmember Nice	Why are the methodologies different from the consultants (i.e. one projected growth to 2040 and the other to 2044)?	The genesis of the issue is that Fehr and Peers began work in 2021, while the City asked BERK to delay beginning work until the PROS plan was completed. BERK began work in early 2022. In addition, King County released the Urban Growth Capacity Report in early 2022, making a new data source available to BERK. Thus, the 20-year date range each consultant selected is offset (Fehr and Peers used 2020-2040 and BERK used 2022-2041). That said, the estimated growth in households they each estimated for their corresponding 20-year periods are very similar – 991 and 980, respectively.
13	Councilmember Nice	To know if the footnote in the parks study regarding 60% KC AMI is an error and/or grafted from the former MFTE.	This footnote refers to the definition of affordable housing in the City code. Upon closer inspection, staff believe the exemption would actually be limited to housing units restricted to 50% AMI since the Transportation impact fee code specifically calls out “low income” affordable housing units and the MICC definition of affordable housing differentiates between low income (less than 50% AMI) and moderate income (less than 60% AMI) affordable housing. See the relevant code sections below. Thus, any units being set aside for tenants earning less than 50% AMI would be eligible for an exemption from 80% of the applicable impact fee.

**19.19.070 - Exemptions.**

The following development activity is exempt or partially exempt from the payment of transportation impact fees:

A. Reconstruction, remodeling or construction of **any form of affordable (low-income) housing units, as defined in this chapter**, may request an exemption of 80 percent of the required impact fee. Any claim for an exemption for affordable housing units must be made prior to payment of the impact fee, and any claim not so made shall be deemed waived. Prior to any development approval, the owner shall execute and record against the property in the King County real property title records a city-prepared covenant that shall guarantee that the affordable housing shall continue, which covenant shall run with the land, address annual reporting requirements to the city, price restrictions and household income limits and be consistent with the provisions of RCW 82.02.060(3) as now adopted or hereafter amended. In the event that the exempt housing unit is no longer used for affordable (low-income) housing as defined in this chapter, the current owner shall pay the applicable impact fees in effect at the time of conversion.

**19.16.010 Definitions.**

*Affordable housing unit:* A dwelling unit reserved for occupancy by eligible households and having monthly housing expenses to the occupant no greater than 30 percent of a given monthly household income, adjusted for household size, as follows:

1. Low-income: For owner-occupied housing, 50 percent of the King County median income, and for renter-occupied housing, **50 percent of the King County median income.**

2. Moderate-income: For owner-occupied housing, 90 percent of the King County median income. For renter-occupied housing, **60 percent of the King County median income.**

Pursuant to the authority of RCW 36.70A.540, the city finds that the higher income levels specified in the definition of affordable housing in this chapter, rather than those stated in the definition of "low income households" in RCW 36.70A.540, are needed to address local housing market conditions in the city.