

ORDINANCE NO. 1301

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SNOQUALMIE, KING COUNTY, WASHINGTON, AMENDING TITLE 20 OF THE SNOQUALMIE MUNICIPAL CODE TO ESTABLISH A NEW CHAPTER 20.09 ENTITLED “TRANSPORTATION IMPACT FEES”; ADOPTING A RATE STUDY; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City has authority to adopt impact fees to address the impact on transportation facilities caused by new development, pursuant to Ch. 82.02 RCW; and

WHEREAS, Growth in residents and workers from new development is expected to increase travel demand on public facilities, and the City Council desires to ensure that transportation facilities necessary to support development will be adequate to serve the development at the time the development is available for occupancy and use, or within the period provided by law, without decreasing the current service levels below established minimum standards for the City; and

WHEREAS, the City Council approved the development of a transportation impact fee program, including preparation of a rate study, at its regular scheduled City Council meeting on April 22, 2024; and

WHEREAS, the City retained Fehr & Peers to prepare a rate study analyzing the anticipated costs of transportation system improvements, using the 2025-2030 Six-Year Transportation Improvement Program, Snoqualmie Riverwalk Master Plan, Snoqualmie Mills EIS, and the list of mitigation projects identified in the Snoqualmie Comprehensive Plan Update 2044; and

WHEREAS, the Snoqualmie Impact Fee Rate Study conducted by Fehr & Peers and dated November 13, 2024 (“2024 Rate Study”) analyzed the anticipated costs of the transportation system improvements included on the project list, including multimodal transportation improvements; established a methodology for determining the portion of each project that is eligible to be collected through assessment of impact fees; and calculated the fee to be imposed per PM peak-hour person-trip; and

WHEREAS, the Rate Study includes an Impact Fee Rate Schedule (Table 6), which translates the recommended impact fee rate into a cost per unit of development for a variety of land uses included in the *ITE Trip Generation Manual*, which will assist project applicants in estimating their impact fee (although the City reserves the right to request a detailed trip generation analysis for any development proposal); and

WHEREAS, the City Council concludes that it is in the best interest of the City to approve the methodology by which transportation impact fees were calculated in the 2024 Rate Study and implement a traffic impact fee program to collect such fees; and

WHEREAS, the City Council held a public meeting on November 25, 2024, and a Public Hearing on this Ordinance was held during its regular City Council meeting on December 9, 2024;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Snoqualmie, Washington, as follows:

Section 1. New Municipal Code Chapter. Title 20 of the Snoqualmie Municipal Code is amended to add a new Chapter 20.09, entitled “Transportation Impact Fees,” containing the provisions shown in Exhibit A attached hereto.

Section 2. Adoption of Rate Study. The City Council hereby adopts the Snoqualmie Transportation Impact Fee Rate Study, dated November 13, 2024, prepared by Fehr and Peers and attached hereto as Exhibit B.

Section 3. Severability. Should any section, paragraph, sentence, clause, or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

Section 4. Effective Date. This Ordinance shall be published in the official newspaper of the City and shall take effect and be in full force five days after publication.

Section 5. Corrections by the City Clerk or Code Reviser. Upon approval of the City Attorney, the City Clerk and Code Reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors; references to other local, state, or federal laws, codes, rules, or regulations, or ordinance numbering and section/subsection numbering.

PASSED by the City Council of the City of Snoqualmie, Washington this 9th day of December 2024.

Katherine Ross, Mayor

ATTEST:

APPROVED AS TO FORM:

Deana Dean, City Clerk

David Linehan, Interim City Attorney

EXHIBIT A

Chapter 20.09 TRANSPORTATION IMPACT FEES

20.09.010	Authority and Purpose.
20.09.020	Definitions.
20.09.030	Review and Update of Impact Fees
20.09.040	Applicability.
20.09.050	Service Area.
20.09.060	Assessment of Transportation Impact Fees.
20.09.070	Collection of Transportation Impact Fees.
20.09.080	Exemptions.
20.09.090	Determination of Transportation Impact Fees, Reductions.
20.09.090	Credits, Adjustments and Independent Calculations, and Appeals.
20.09.100	Transportation Impact Fee Accounts and Refunds.
20.09.110	Use of Funds.
20.09.120	Existing Authority Unimpaired.

20.09.010 Authority and Purpose.

A. This Chapter is enacted pursuant to the Growth Management Act as codified in chapter 36.70A RCW and the provisions of RCW 82.02.050 through 82.02.100.

B. The purposes of this Chapter are to:

1. Develop a program consistent with the City's Comprehensive Plan for joint public and private financing of transportation facilities as such facilities are necessitated in whole or in part by development within the City;

2. Ensure that those transportation facilities necessary to support development shall be adequate to serve the development at the time the development is available for occupancy and use, or within the period established by law, without decreasing current service levels below established minimum standards for the City;

3. Create a mechanism to charge and collect Transportation Impact Fees to ensure that all new development bears its proportionate share of the capital costs of transportation facilities reasonably related to new development;

4. Establish standards and procedures so that new development pays a proportionate share of costs for new facilities and services and does not pay arbitrary or duplicative fees for the same impact; and

5. Increase transparency and reduce uncertainty related to the cost to build necessary new transportation capacity for Developers and reduce the administrative burden on the City to identify and collect necessary funding to support new transportation capacity related to development.

C. The City conducted studies documenting the procedures for measuring the impact of new growth and development on public transportation facilities, included a rate study and associated impact fee study. Based on the foregoing, the City prepared a formula and method of calculating Transportation Impact Fees to serve new development that provides a balance between Transportation Impact Fees and other sources of public funds.

D. The provisions of this Chapter shall be liberally construed to effectively carry out its purposes in the interest of the public health, safety, and welfare.

20.09.020 Definitions.

For purposes of this Chapter, the following terms have the indicated meanings:

A. “Applicant” means a person, firm, company, partnership, or corporation, and all successors in interest thereto, proposing a development in the city.

B. "Capital Facilities and Utilities Element" means the capital facilities and utilities plan element of the City of Snoqualmie’s Comprehensive Plan currently in effect or as subsequently amended.

C. “City” means the City of Snoqualmie.

D. “Commercial” means any activity carried out for the purpose of financial gain for an individual or organization, whether profit or nonprofit.

E. “Developer” means a person or persons or entity or entities that owns, or holds purchase options or other control over, property on which development is proposed.

F. “Development” means any:
1. construction or expansion of a building, structure, or use;
2. change in use of a building or structure; or
3. change in the use of land
that creates additional demand for transportation facilities.

G. “Dwelling Unit” means a dwelling unit as defined in Section 18.100.270 of the Snoqualmie Municipal Code currently in effect or as subsequently amended.

H. “Encumber” means to transfer impact fee dollars from the Transportation Impact Fee Fund to a fund for a particular system improvement that is fully funded in the current biennium’s budget or for which a construction contract or contracts have been let.

I. “Peak Hour” means the consecutive 60-minute period during which the highest level of demand on a typical day during the week occurs. This is typically the PM peak hour, but the Transportation Impact Fee may be based on a different peak hour, at the discretion of the Director.

K. “Project Improvements” means site improvements and facilities that are planned and designed to provide service for a particular development project and that are necessary for the use and convenience of the occupants or users of the project, and are not System Improvements.

L. “System Improvements” means traffic capacity-adding transportation facilities that are included in the City’s Six-year Transportation Improvement Plan, other plans/studies prepared by the City, or facilities/programs/projects identified in the Transportation Impact Fee Rate Study and are designed to provide service to the community at large, in contrast to Project Improvements or existing transportation facility preservation projects, such as repaving projects.

M. “Transportation Impact Fee” means a payment of money imposed upon development as a condition of development approval and/or building permit approval to mitigate all or any portion of the transportation impact from the development on transportation facilities included in the Transportation Impact Fee Rate Study’s project list. "Transportation Impact Fee" does not include a reasonable permit or application fee, administrative fees for collecting and handling impact fees, the cost of reviewing independent fee calculations, the administrative fee required for an appeal, or the proportionate share of costs to implement transportation capacity projects that are not on the Transportation Impact Fee Rate Study’s project list.

N. “Transportation Impact Fee Fund” means the fund established for the transportation facilities for which Transportation Impact Fees are collected, which is currently the Non-Utility Capital Fund.

O. "Transportation Impact Fee Schedule" means the table of Transportation Impact Fees adopted by the City Council establishing the standard amounts that applicants pay for various types of projects as a condition of development within the City.

P. “Transportation Impact Fee Rate Study” means the rate study conducted to determine the Transportation Impact Fees to include in the Transportation Impact Fee Schedule, and includes any subsequent updates thereto.

20.09.030 Review and Update of Impact Fees.

A. The Transportation Impact Fee Schedule may be reviewed and amended by resolution of the City Council from time to time, as the City Council deems appropriate.

B. The Transportation Impact Fee Schedule shall be automatically updated for inflation annually using the following procedures:

1. The City shall use construction cost inflation data sources such as the Construction Cost Index for Seattle (June-June) published by the Engineering News Record, or similar, at the City’s discretion, to calculate annual inflation adjustments in the Transportation Impact Fee Schedule.

2. The indexed Transportation Impact Fee Schedule shall be effective January 1 of each year.

D. The Transportation Impact Fee Schedule shall not be adjusted for inflation if the index is unchanged.

20.09.040 Applicability.

A. A Transportation Impact Fee is hereby imposed on every development activity in the City based upon the rates established in the Transportation Impact Fee Rate Study and the Transportation Impact Fee Schedule. The Transportation Impact Fee Schedule shall establish such rates based upon the land use as defined within the *ITE Trip Generation Manual (11th Edition)*. The Transportation Impact Fee Rate Study identifies an impact fee per person-trip that is the basis for all the rates in the Transportation Impact Fee Schedule. A land use not included in the Transportation Impact Fee Schedule is not exempt from paying fees and will pay the rate based on person-trips generated as approved by the City.

B. Any Transportation Impact Fee imposed shall be reasonably related to the impact caused by the development and shall not exceed a proportionate share of the costs of System Improvements that are reasonably related to the development.

C. Transportation Impact Fees shall be based on the City Comprehensive Plan, Capital Facilities Element, the project list in the Transportation Impact Fee Rate Study, the City's Six-year Transportation Improvement Plan, and other relevant plans and studies prepared by the City.

D. The City shall also impose an application fee to cover the City's reasonable costs to administer the Transportation Impact Fee program. The administrative fee shall be paid by the Applicant to the City at the time of building permit application. The administrative fee shall be deposited into the General Fund. Administrative fees shall be used to defray the cost incurred by the City in the administration and update of the Transportation Impact Fee program, including, but not limited to, review of independent fee calculations and the value of credits. The administrative fee is not creditable or refundable and is not subject to deferral.

20.09.050 Service Area.

There shall be one service area which shall be consistent with the corporate limits of the City.

20.09.060 Assessment of Transportation Impact Fees.

A. The City shall assess Transportation Impact Fees from any Applicant seeking a building permit or certificate of occupancy from the City, using the Transportation Impact Fee Schedule in effect at the time of building permit or certificate of occupancy issuance, unless payment is deferred pursuant to Chapter 20.15 of this Title, in which case the Transportation Impact Fees shall be assessed

based on the Transportation Impact Fee Schedule in effect at the time of the deferral application.

B. Unless the proposed development is exempt or subject to adjustments, credits, or an independent fee calculation accepted by the City, the City shall not issue building permit(s) unless and until the Transportation Impact Fees have been paid.

20.09.070 Collection of Transportation Impact Fees.

A. Except as provided in subsection (B) of this section, the Transportation Impact Fees imposed under this Chapter are due and payable at the time of issuance of a permit issuance or, if a change of use, then at the time of issuance of a certificate of occupancy

B. Transportation Impact Fees may be deferred subject to the provisions of Chapter 20.15 SMC as currently enacted or subsequently amended.

20.09.080 Exemptions.

The following development activities do not create any additional transportation impacts or have been determined by the City Council to be exempt from paying Transportation Impact Fees pursuant to this ordinance:

A. Existing Dwelling Unit. Any alteration, expansion, reconstruction, remodeling, replacement, or demolition/removal of an existing Dwelling Unit that does not result in the generation of any new Peak Hour trips.

B. Existing Nonresidential Building. Any alteration, expansion, reconstruction, remodeling, replacement, or demolition/removal of an existing nonresidential building that does not result in the generation of any new Peak Hour trips.

C. Condominium projects in which existing Dwelling Units are converted into condominium ownership and that do not result in the generation of any new Peak Hour trips.

D. Any development activity that is exempt from the payment of a Transportation Impact Fee pursuant to RCW 82.02.100, due to mitigation required by the State Environmental Policy Act ("SEPA"). The Applicant is required to demonstrate to the satisfaction of the City that SEPA mitigations are duplicative of Transportation Impact Fees.

E. Any development activity for which transportation impacts have been mitigated pursuant to a condition of development approval or development agreement to pay fees, dedicate land, or construct or improve facilities, unless the condition of the development approval or a development agreement provides otherwise, provided that the condition of the development approval or development agreement predates the effective date of this Chapter.

F. Any development activity for which transportation impacts have been mitigated pursuant to a voluntary agreement entered into with the City pursuant to RCW 82.02.020 to pay fees, dedicate land, or construct or improve transportation facilities, unless the terms of the voluntary agreement provide otherwise, provided that the agreement predates the effective date of this Chapter.

G. A Developer who is constructing, reconstructing, or remodeling any form of Low-Income Housing within a Target Residential Area utilizing a multi-family tax exemption.

H. A Developer who is constructing, reconstructing, or remodeling any form of assisted senior living where medical and services are provided onsite.

I. A Developer who is constructing, reconstructing, or remodeling any form of Early Learning Facility consistent with the requirements of RCW 82.02.060(4)(b).

20.09.090 Determination of Transportation Impact Fees, Reductions, Credits or Adjustments and Appeals.

A. Determination of Transportation Impact Fees. The City shall determine the amount of a Developer's Transportation Impact Fees according to the Transportation Impact Fee Schedule.

B. Reductions. The Transportation Impact Fee amount established by the Transportation Impact Fee Schedule shall be reduced by the amount of any payment (other than application fees or application review costs) previously made for the development activity in question, either as a condition of development approval (such as, but not limited to, a SEPA condition) or pursuant to a voluntary agreement. The reduction shall only apply to any payment toward a system improvement identified in the Transportation Impact Fee Rate Study.

C. Credits or Adjustment.

1. Whenever a Developer is subject to a development condition that the Developer actually construct a System Improvement acceptable to the City or improve an existing System Improvement, the Developer shall be entitled to a credit for the actual cost of constructing or improving such System Improvement(s) against the Transportation Impact Fee that would be chargeable under the Transportation Impact Fee schedule, unless an applicable development agreement between the City and the Developer provides otherwise. The cost of construction of such System Improvement(s) shall be estimated for purposes of calculating an estimated credit, but must be documented, and the documentation confirmed after the construction is completed to assure that an accurate credit amount is provided. If construction costs are less than the calculated fee amount, the difference remaining shall be chargeable as a Transportation Impact Fee.

2. Whenever a Developer is subject to a development condition that the Developer dedicate land to the City to mitigate its transportation impacts, the Developer shall be entitled to a credit against the Transportation Impact Fee chargeable under the Transportation Impact Fee Schedule, unless an applicable development agreement between the City and the Developer provides otherwise. The value of a credit for dedication of land shall be established on a case-by-case basis by an appraiser selected by or acceptable to the City. The appraiser must be licensed in good standing by the state of Washington for the category of the property appraised. The appraisal and review shall be at the expense of the Applicant. The appraisal shall be in accordance with the most recent version of the Uniform Standards of Professional Appraisal Practice, as published by The Appraisal Foundation, and shall be subject to review and acceptance by the City. If the amount of a credit is less than the calculated fee amount, the difference remaining shall be chargeable as a Transportation Impact Fee.
3. No credit shall be given for Project Improvements or for land or right-of-way devoted to Project Improvements. In certain cases, a System Improvement may function as a Project Improvement. Where a System Improvement functions as a Project Improvement, the Applicant shall only receive a credit for the amount of the improvement that functions as a System Improvement. An example of a Project Improvement that may be integral to a System Improvement would be the sidewalk/landscape buffer that fronts an Applicant's development.
4. An Applicant must request a credit pursuant to this section prior to payment of the Transportation Impact Fees and the issuance of the first permit associated with the development. Any claim not timely made shall be waived.
5. Applicants may take credit for existing development when expanding, redeveloping, or changing the use at an existing developed site. In these cases the Transportation Impact Fee shall be calculated on the net-new Peak Hour trip generation resulting from the increased developed area or increased intensity of use associated with the new development. No credit shall be due for developments that result in a net-negative Peak Hour trip generation when no Transportation Impact Fees would otherwise be due.
6. Credits for existing development only pertain to active land uses within the development in the prior three years. Higher trip generating uses that may have occurred more than three years prior to the Applicant's building permit application are not considered for credit. This applies to properties that have been vacant for three or more years, in which no existing use credit will be considered.
6. Pursuant to RCW 82.02.060(5), an Applicant may request an adjustment to its calculated Transportation Impact Fees on the basis that the Applicant's specific case presents unusual circumstances and that imposition of the

Transportation Impact Fees as calculated based on the Transportation Impact Fee Schedule results in unfairness or disproportionate payment in relation to the impacts caused by the proposed development. In this case, the Applicant must, at its own expense, prepare and submit an Independent Rate Study to the City for review and approval.

D. Appeals.

1. Any credits or adjustments decision of the City with regard to Transportation Impact Fee amounts may be appealable by the applicant to the City's hearing examiner.
2. An appeal must be filed within ten (10) days of the credits or adjustments decision being appealed. A nonrefundable fee consistent with SMC 2.14.100.D shall be paid at the time the notice of appeal is submitted.

20.09.100 Transportation Impact Fee Accounts and Refunds.

A. Transportation Impact Fee receipts shall be earmarked specifically and retained in the Transportation Impact Fee Fund. All Transportation Impact Fees and any investment income generated by such fees shall remain in that fund until spent, Encumbered, or refunded pursuant to the provisions of this Chapter.

B. The current owner of property for which Transportation Impact Fees have been paid may receive a refund of such fees if the Transportation Impact Fees have not been expended or Encumbered within 10 years of their receipt by the City. In determining whether fees have been expended or Encumbered, fees shall be considered expended or Encumbered on a first-in, first-out basis. Fees collected by the City can be expended or Encumbered on any eligible Transportation Impact Fee program system improvement, regardless of its location within the City. Notwithstanding the above, this refund mechanism only applies to Transportation Impact Fees and shall not apply to funds expended for mitigation projects or funds collected pursuant to a mitigation and/or development agreement.

C. The City shall provide for the refund of fees according to the requirements of this section and RCW 82.02.080.

1. The City shall notify potential claimants of the refund availability by first-class mail deposited with the United States Postal Service addressed to the owner of the property as shown in the county tax records.
2. A request for a refund must be submitted to the City's Finance Director in writing within one year of the date the right to claim the refund arises or the date that notice is given, whichever date is later.

D. Any Transportation Impact Fees that are not expended or Encumbered within 10 years of their receipt by the City, and for which no application for a refund has been made within this one-year period, shall be retained by the City and expended consistent with the provisions of this chapter.

E. Refunds of Transportation Impact Fees shall include any interest earned on the fees pursuant to RCW 82.02.080.

F. Should the City seek to terminate all Transportation Impact Fee requirements, all unexpended or unencumbered funds, including interest earned, shall be refunded to the current owner of the property for which an impact fee was paid. Upon the finding that all fee requirements are to be terminated, the City shall place notice of such termination and the availability of refunds in a newspaper of general circulation at least two times and shall notify all potential claimants by first-class mail addressed to the owner of the property as shown in the county tax records.

G. All funds available for refund shall be retained for a period of one year. At the end of one year, any remaining funds shall be retained by the City, but must be expended for the original purposes, consistent with the provisions of this Chapter. The notice requirement set forth above shall not apply if there are no unexpended or unencumbered balances within the account or accounts being terminated.

H. An Applicant may request and shall receive a refund on paid Transportation Impact Fees, including interest earned on the Transportation Impact Fees, when:

1. The Applicant does not proceed to finalize the development activity as required by statute or City code or the International Building Code; and
2. The City has not expended or Encumbered the Transportation Impact Fees prior to the application for a refund. In the event that the City has expended or Encumbered the fees in good faith, no refund shall be forthcoming. However, if within a period of three years, the same or subsequent owner of the property proceeds with the same or substantially similar development activity, the owner shall be eligible for a credit against any then-existing Transportation Impact Fee requirement. The owner must petition the City in writing and provide receipts of Transportation Impact Fees paid by the owner for a development of the same or substantially similar nature on the same property or some portion thereof. The City shall determine whether to grant a credit and such determinations may be appealed by following the procedures set forth in this Chapter.

20.09.110 Use of Funds.

A. Transportation Impact Fees shall:

1. Be used for System Improvements that will reasonably benefit new development; and
2. Not be imposed to make up for deficiencies in the facilities serving existing development; and
3. Not be used for maintenance or operations.

B. Transportation Impact Fees will be spent for System Improvements listed in the City's Capital Facilities Element, the project list in the Transportation Impact Fee Rate Study, the City's Six-year Transportation Improvement Plan, and other relevant plans and studies prepared by the City. Expenditures may include but are not limited to: facility planning, land acquisition, site improvements, necessary off-site improvements, construction, engineering, permitting, financing, grant match funds and administrative expenses, mitigation costs, capital equipment pertaining to public facilities, and any other capital cost related to a particular System Improvement.

C. Transportation Impact Fees may also be used to recoup costs previously incurred by the City to finance System Improvements identified per subsection (B) of this section and directly benefiting new growth and development.

D. In the event that bonds or similar debt instruments are or have been issued for the construction of a public facility or System Improvement for which Transportation Impact Fees may be expended, Transportation Impact Fees may be used to pay debt service on such bonds or similar debt instruments to the extent that the facilities or improvements provided are consistent with the requirements of this chapter and are used to serve new development.

20.09.120 Existing Authority Unimpaired.

Nothing in this Chapter is designed to supersede or replace the provisions Chapter 12.24 Transportation Concurrency. Further, nothing in this Chapter shall preclude the City from requiring an applicant to mitigate adverse environmental impacts of a specific development pursuant to the State Environmental Policy Act, Chapter 43.21C RCW, based on the environmental documents accompanying the underlying development approval process, and/or Chapter 58.17 RCW governing plats and subdivisions; provided, that the exercise of the City's existing authority is consistent with the provisions of Chapters 43.21C and 82.02 RCW.