STAFF REPORT

Date: November 10, 2026
To: Planning Commission
From: Dana Bowers, Associate Planner, Sharon Lumbantobing, Deputy Community Development Director

Ordinance No. O2026-010 – Transportation Regulation Updates

1. Recommended Action

Staff recommends that the Planning Commission hold a public hearing and forward a recommendation to the City Council to approve Ordinance No. O2026-010 – Transportation Regulation Updates.

2. Background

Ordinance No O2026-010 proposes amendments to several chapters of the Tumwater Municipal Code related to transportation. This ordinance includes state-mandated amendments to transportation impact fees and transportation concurrency requirements along with staff-initiated amendments to impact fee credits, stop intersections, speed limits, and no parking zones.

As required by the Growth Management Act, the City must review and update its Comprehensive Plan and related development regulations at least once every ten years. Tumwater completed its first set of Comprehensive Plan-related development code amendments in December 2025. The remaining updates were due in June 2026, but were delayed due to staff capacity.

The General Government Committee is scheduled to review the proposed code amendments at its November 18, 2026 work session. The ordinance is schedule for City Council consideration and adoption on December 15, 2026.

3. Summary of Updates

A. Transportation Impact Fees

Amendments to RCW 82.02.060 in ESSB 5258 approved in 2023 require transportation impact fees for residential development to better reflect the relationship between dwelling unit size and anticipated transportation impacts. This is intended to support affordable housing development by addressing cases where smaller or multifamily

dwelling units could otherwise be charged the same impact fee as larger dwelling units despite generating lower transportation impacts.

Washington state also passed SB5452 amending RCW 82.02.090 to allow local jurisdictions to use impact fee revenues for pedestrian and cycling improvements.

Staff addressed these state requirements in the following updates:

a. Section TMC 3.50.020, *Definitions.*

   i. Revised definition of development activity to exclude structures to support transit and emergency shelters.

   ii. Added reference to the dwelling unit definition in TMC 18.04 to clarify impact fee applicability.

   iii. Revised definition for Impact Fee to include proportionality.

   iv. Clarified definition of public facilities to include bike and pedestrian facilities, fire protection facilities, and parks and open space facilities.

b. TMC 3.50.030, *Assessment of Impact Fees.*

   i. Added impact fee assessment requirement to reflect proportionality of impact for smaller dwelling units.

Along with the state-required updates to transportation impact fees, staff are proposing amendments to address concerns with impact fee credits. As currently written, impact fee credits could be applied to projects outside the scope of the development and for projects that are not identified on the Capital Facilities Plan as system improvements with funding allocated from impact fees. There are no provisions to limit the credit exceeding impact fees assessed on the development.

Staff addressed this issue in the following code sections:

a. TMC 3.50.050, *Credits.*

   i. Clarified impact fee credit eligibility to limit credits to assessed fees.

   ii. Removed frontage improvements and right of way dedications that are required to meet the minimum widths along project frontages.

   iii. Clarified the appeals process.

B. City Initiated Amendments

Recent code enforcement issues with stop signs, speed zones, and no parking zones necessitate clarification of provisions to simplify and clarify requirements and improve administration and compliance. These changes were proposed by the Transportation and Engineering Department staff in coordination with Police Department staff.

Staff addressed these requests in the following code sections:

a. TMC 10.04.010, *Adoption by reference.*
    i. Revised the Model Traffic Ordinance to align with current community priorities.
b. TMC 10.08.010, *Speed Limits – Generally.*
    i. Updated provision so that only erected signs establish speed limits.
c. TMC 10.08.020 through TMC.08.060.
    i. Removed location descriptions to establish speed limits.
d. TMC Chapter 10.12, *Stop Intersections.*
    i. Removed Chapter 10.12, *Stop Intersections* to address code enforcement issues.
e. TMC 10.24.020 through TMC 10.24.030.
    i. Added provision to allow the Director of Transportation & Engineering to erect no parking zones signs.
    ii. Removed location descriptions of where parking is prohibited and exemptions.

C. Concurrency Requirements

To support affordable housing, the State passed ESHB 1042 in 2023 which amended RCW 35.21 and affects concurrency requirements. Concurrency studies are required by the City to show that adequate transportation facilities are in place, or funding is allocated for developments to make improvements to the transportation system based on projected impacts. To address state requirements, City regulations are being updated to exempt projects from the requirement for a concurrency study where dwelling units are being added to an existing structure.

Staff addressed these requirements in the following code sections:

a. TMC 15.48.020, *Definitions*.
    i. Amended a Concurrency Test definition to include a reference to RCW 35.20.900.
b. TMC 15.48.050, *Exemptions from the concurrency test.*
    i. Added an exemption for concurrency testing for applications where additional housing units are added to an existing structure.

4. Summary of Public Participation Process

An Environmental Checklist for a non-project action was prepared on October 6, 2026, under the State Environmental Policy Act (Chapter 43.21C RCW). A Determination of Non-Significance was issued on October 16, 2026, beginning the 14-day SEPA public comment period and then the 6-day SEPA appeal period.

The proposed amendments are scheduled to be submitted to the Washington State Department of Commerce on October 5, 2026, for the required 60-day review under RCW 36.70A.106.

A Planning Commission work session on Ordinance No. O2026-010 was held on October 13, 2026, to provide an opportunity to review the amendment and accept comments. A Notice of Public Hearing for the Planning Commission was published in The Olympian on October 30, 2026.

5. Applicable Criteria, Evaluation, and Findings

The TMC Chapter 18.60 establishes procedures for reviewing and adopting amendments to the City's development regulations. Under the Growth Management Act, amendments to development regulations must be consistent with and implement the Comprehensive Plan.

The proposed amendments have been evaluated for consistency with the applicable requirements of the Growth Management Act, other state laws, the Thurston County Countywide Planning Policies, and the Tumwater Comprehensive Plan, as described below.

A. Growth Management Act

The Growth Management Act establishes planning goals that guide the development and adoption of comprehensive plans and development regulations. The following goals are applicable to the proposed amendments.

Growth Management Act Goal 3: Transportation

Transportation. Encourage efficient multimodal transportation systems that reduce greenhouse gas emissions, per capita vehicle miles traveled and are based on regional priorities and coordinated with local comprehensive plans.

Growth Management Act Goal 4: Permits

Permits. Applications for both state and local government permits should be processed in a timely and fair manner to ensure predictability.

Growth Management Act Goal 11 – Citizen Participation and Coordination

Citizen participation and coordination. Encourage the involvement of citizens in the planning process, including the participation of vulnerable populations and overburdened communities, and ensure coordination between communities and jurisdictions to reconcile conflicts.

Staff Analysis and Finding

The proposed amendments update the city's transportation impact fee and transportation concurrency requirements to reflect changes in state law and clarify requirements used in development review and permitting. The amendments establish

clearer and more consistent requirements for calculating and administering transportation impact fees and require development to contribute its proportionate share towards transportation system improvements. The amendments also clarify and simplify requirements related to the administration of the Model Traffic Ordinance, speed limits, and parking restrictions.

The ordinance will be considered through the City's legislative process, including public meetings before the Planning Commission and City Council and opportunities for the community to provide written and oral comments. These opportunities allow community members to review the proposed amendments and provide input before final action by the City Council. Staff finds that the public participation process is consistent with Growth Management Act Goal 11 and Comprehensive Plan Goal PI-1: "Continuously engage with the community and the region."

Staff find that the proposed amendments are consistent with applicable goals and requirements of the Growth Management Act.

B. Other Applicable State Laws

The proposed amendments are intended in part to implement changes to state law in RCW 82.02.090 affecting transportation impact fees and related development regulations.

State law requires impact fees to be reasonably related to the impacts of new development and establishes requirements for the calculation and administration of impact fees. Recent changes to state law require transportation impact fee schedules to account for differences in the impacts associated with different housing types and sizes.

The proposed amendments to TMC Chapter 3.50 revise the City's transportation impact fee requirements to implement these requirements.

Related amendments to TMC Chapter 15.48 update transportation concurrency provisions for consistency with applicable state requirements in RCW 35.21.

Staff find that the proposed amendments are consistent with applicable state law.

C. Tumwater Comprehensive Plan

The following Comprehensive Plan Elements and Plans are applicable to the proposed amendments**.**

Land Use Element

Goal LU-2 Ensure development occurs in an orderly, effective, and cost-efficient manner to best utilize available land and public services, conserve natural resources, protect and enhance critical areas and open space, address equity and climate change, and reduce sprawl.

Policy LU-2.1 Review and update Tumwater's development review and permitting system on a regular basis for consistency with state law and adopted plans to ensure predictability and to process development permits in a timely and fair manner.

Staff Analysis and Finding

The proposed amendments implement the Comprehensive Plan by updating Tumwater's development regulations for consistency with state law and maintaining the regulatory mechanisms necessary to carry out the city's adopted land use and transportation policies. The Transportation Plan does not contain a goal or policy that directly addresses the specific code amendments proposed by this Ordinance.

The amendments to TMC Chapter 3.50 update the City's transportation impact fee requirements to account for differences in transportation impacts associated with different types and sizes of residential development. The amendments provide a more proportionate method for assessing transportation impact fees while continuing to require new development to contribute toward transportation improvements needed to serve growth.

The amendments to TMC Chapter 10.04, TMC Chapter 10.08, TMC Chapter 10.12 and TMC Chapter 10.24 update and clarify the City's traffic regulations to improve clarity and administration, making the regulations more predictable and processing fairer.

TMC Chapter 15.48 update and clarify the City's transportation concurrency requirements and maintain consistency between the City's development regulations and its adopted transportation planning framework.

Staff finds that the proposed amendments are consistent with and implement the applicable goals and policies of the Tumwater Comprehensive Plan.

D. Tumwater Municipal Code Amendment Process

TMC Chapter 18.60 establishes the process for consideration of amendments to the City's development regulations. The proposed amendments are being processed in accordance with those requirements, including review and recommendation by the Planning Commission and final consideration by the City Council.

RCW 36.70A.106 also requires the City to provide the Washington State Department of Commerce notice of proposed amendments to development regulations at least 60 days before final adoption.

Staff find that the proposed amendments are being processed consistent with applicable state and City procedural requirements.

6. Staff Conclusion

Based on the analysis above, staff finds that the proposed amendments are:

- Consistent with the applicable goals and requirements of the Growth Management Act and the Thurston County Countywide Planning Policies;
- Consistent with and implement the applicable goals and policies of the Tumwater Comprehensive Plan;
- Consistent with applicable state law; and
- Being processed in accordance with applicable state and City procedural requirements.

Staff recommend approval of the proposed amendments.

7. Next Steps

The General Government Committee is scheduled to review the proposed amendments at a work session on November 18, 2026. The City Council is scheduled to consider adoption on December 15, 2026.

8. Staff Contact

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