



TRANSPORTATION IMPACT FEE RATE STUDY

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1. Impact Fee Rate Study Overview

1.1 Introduction

This rate study summarizes the policy and technical development of a Transportation Impact Fee program for the City of Port Orchard, Washington. The following technical segments will describe the impact fees, basis for fees, rate methodology, proposed projects, analyses performed to determine impact fees, and rate schedules.

1.2 Definition of Impact Fees

Impact fees are a comprehensive grouping of charges based on new development within a local municipality. These fees are assessed to pay for capital facility improvement projects necessitated by new development growth (including but not limited to parks, schools, streets/roads, etc.).

Transportation Impact Fees are collected to fund improvements that add capacity to the transportation system, accommodating the travel demand created by new development in Port Orchard. The Revised Code of Washington (RCW) Section 82.02.050 identifies the intent of impact fees as the following:

- To ensure that adequate facilities are available to serve new growth and development;
- To promote orderly growth and development by establishing standards by which counties, cities, and towns may require, by ordinance, that new growth and development pay a proportionate share of the cost of new facilities needed to serve new growth and development; and
- To ensure that impact fees are imposed through established procedures and criteria so that specific developments do not pay arbitrary fees or duplicative fees for the same impact.

1.3 Statutory Basis for Impact Fees

The purpose of this study is to establish the rates for impact fees for streets in the City of Port Orchard, Washington.

Transportation Impact Fees are a financing mechanism authorized by the Growth Management Act (GMA) of Washington State (see RCW 36.70A.070 and 82.02.050 et seq.). However, impact fees are not mandatory; they are simply authorized by the GMA as a local option. State law imposes strict limitations on impact fees. These limitations are intended to assure property owners that the fees collected are reasonably related to their actual impacts and will not be used for unrelated purposes.

If impact fees are imposed, the funds collected from developments can be expended only on transportation system improvements, which are: (a) identified in the comprehensive plan as needed for growth, and (b) reasonably related to the impacts of the new development from which fees are collected.

Specifically, condition (a) requires that impact fees are not used on improvements needed to remedy existing deficiencies. Those needs must be entirely funded from public sector resources. Condition (b) is satisfied if the local government defines a reasonable service area, identifies the public facilities within the service area that require improvement during the designated planning period, and prepares a fee schedule taking into account the type and size of the development as well as the type of public facility being funded.

To achieve the goal of simplicity, impact fee calculations are applied on an average basis for the entire transportation system, rather than project-by-project. This is a key difference between impact fees and State

Environmental Policy Act (SEPA) mitigation, whereby pro-rata shares of specific project improvements are collected.

Pre-calculated impact fees are easier to administer than traditional SEPA development mitigation, at the point of development review. However, more complex administrative procedures are necessary to track the funds collected from each development. This is necessary to assure that the funds are expended only on eligible transportation system improvements, and also to assure that impact fee revenues are used within six years. Fees not expended within six years must be refunded with interest to the current owner of the property.

The methodology and results described next are consistent with the requirements of the GMA. All calculations are based on the adopted transportation facilities list described in the City of Port Orchard Comprehensive Plan. The procedures described herein can be formally enacted by an impact fee ordinance incorporating this report by reference.

2. Impact Fee Analysis

2.1 Methodology

The primary basis for the impact fee is that growth should pay a proportionate share of the cost to provide the future transportation capacity. This is developed by comparing the improvement costs for growth in the Comprehensive Plan's adopted transportation facilities list to an estimate of capacity of the facilities used by growth. The analysis strictly focuses on those projects that provide capacity improvements needed for growth. The improvements for maintenance such as pavement overlays and physical obsolescence, as well as improvements necessary to mitigate existing level of service deficiencies and not eligible for funding with impact fees. However, agencies have been encouraged by the Department of Commerce to consider multimodal transportation improvements and, to that end, shoulder widening, sidewalks, bike lanes and parallel trails are reasonable to include as both vehicle and non-motorized capacity enhancements.

2.2 Current Impact Fee Methodology in Port Orchard

The City of Port Orchard does not currently have a Transportation Impact Fee. This study will be the basis of a program that implements Transportation Impact Fees for the City.

2.3 Other Impact Fee Methodologies

Other cities and counties employ various methodologies to compute impact fees. Some cities charge the full cost of every project attributable to growth in their fee. This method assumes that existing residents get no benefit from the projects, and growth creates 100% of the need for the projects. This is seldom true and is not consistent with GMA requirements, but happens nevertheless.

Other agencies go through rigorous analyses to compute the growth share of every capital project to more accurately capture the growth share of each project. The City of Sammamish chose this approach. This approach requires significant analysis in traffic forecasting tools and proportionate share calculation. The Sammamish example is interesting in that the resulting impact fee, the highest in the state, represented about 35% of the City's Capital Program cost. The recovery of expended costs on capital projects that serve growth is rare, but was used in the City of Sammamish to recover the cost of the 228th Avenue Project. The City of Newcastle adopted a similar approach to recover costs for the Coal Creek Parkway improvements.

Other agencies choose to set the impact fee by what they consider to be a rate acceptable to the market and comparable to their neighbors so as not to discourage development. This method typically results in an underfunded Capital Program that lags behind the impacts of growth and ultimately results in concurrency failures.

Other cities use zone-based fee structures to capture the differences between commercial and residential zones. This can create challenges when the impact fee on the north side of the street is 10 times higher than the fee on the south side. This is why many cities use a single-zone structure.

Each method comes with advantages and risks. In general, the higher the fee, the more supporting documentation is required.

Cities also allow various levels of adjustment for special conditions within their impact fee ordinances. Deductions for trip length associated with certain land uses, reductions to trip generation in mixed-use areas, and credits for provision for alternative modes or TDM programs are all utilized.

2.4 Projects Eligible for Impact Fees

Not all planned transportation projects and programs are eligible for impact fees. The complete list of projects is divided below into the following categories, in order to arrive at a list of qualifying improvements that will form the basis for impact fees calculated for the City of Port Orchard:

- Project Improvements
- Planned Transportation Projects needed within 20 years
- Maintenance Projects

2.4.1 Project Improvements

Project improvements are transportation improvements necessary for a specific development that do not provide significant system benefits. These are typically low-volume local streets that serve driveways and parking areas. They may provide connections to other developments, but not for the purpose of significant system capacity. Other project improvements include safety improvements and new access connections to existing arterials that serve only one development. Project improvements are typically required by other development regulations or as SEPA mitigation for specific development impacts not anticipated in the Comprehensive Plan. Project improvements are not eligible for impact fees. For the purpose of this rate analysis, roadway extensions that connected existing developments, but were not significant arterials, were considered project improvements that could be required under other City codes and regulations, but would not be included in the impact fee calculation.

2.4.2 Planned Transportation Projects

The roadway projects identified in the Twenty-Year Capital Improvement Plan (CIP) are anticipated to be needed to serve motorized traffic growth for the next twenty years. The roadway capacity provided is accomplished by adding turn lanes to increase through lane capacity, by lane widening or separating non-motorized modes, adding signals or roundabouts for intersection capacity, and other improvements to increase the capacity of the roadway system for all modes. The proportional share of these projects reasonably related to growth are eligible for impact fees.

2.4.3 Maintenance Projects and Programs

Maintenance programs, general studies, and non-capital activities are generally not eligible for impact fees. A component of ongoing pavement preservation could be eligible for impact fees if it is demonstrated that growth increases the magnitude of pavement reconstruction requirements. For instance, if existing conditions require a two-inch asphalt overlay, but added traffic from growth requires a three-inch asphalt overlay to achieve the same pavement life, the cost of the additional inch of asphalt could be attributed to growth. Also, if the overlay or reconstruction provides increased lane widths, intersection improvements, or shoulder widening the cost of the expansion could be considered eligible.

The projects below are not included in the impact fee calculation list, because of their classification as primarily maintenance projects. These projects will be each be more thoroughly evaluated to determine if any portion of the project may be eligible for inclusion in the impact fee program.

Project Title	TIP Priority Number	Project Description	Cost Budgeted
Arnold Creek Crossing	1.7	Replace wooden span under Bay Street for Arnold Creek culvert	\$400,000
Annual Residential Paving Program	1.9	May include repairing or replacing existing pavement in residential areas	\$2,050,000
Annual Sidewalk Improvement Program	1.10	Repair and replace concrete sidewalks and curb ramps as needed	\$60,000
Pavement Management System/ADA Transition Plan	1.11	Prepare a Pavement Management System and Transition Plan to inventory and rate all streets	\$250,000
Sidney Avenue (north of SR 16) Overlay	2.9	Overlay Sidney Avenue and construct a shoulder	\$500,000
Cline Avenue Repairs	2.10	Replace sidewalk and parking strip on the west side of the road. The east side has been replaced	\$250,000
Total			\$3,510,000

2.5 Eligible Project Costs

Project costs for each eligible group of impact fee projects in the City of Port Orchard are summarized below. These costs include various elements, all necessary for the construction of transportation improvements including design, permitting, right-of-way, construction, and construction management. Ongoing or future maintenance is not an eligible impact fee cost. Some projects have been removed from the project list because they are not capacity projects or are considered maintenance projects/programs.

2.5.1 Planned Roadway Projects

The cost of planned impact fee-eligible roadway projects identified in the City's Capital Improvement Plan totals \$51,199,090 and is summarized below.

Project Title	TIP Priority Number	Project Description	Cost Budgeted
Tremont Street Widening	1.1	Widen Tremont from two travel lanes to four travel lanes with sidewalks and stormwater improvements.	\$17,500,00
SR 160 Corridor Pre-Design*	1.3	The pre-design phase for this widening project with 3 lanes (incl. TWLTL), bike lanes, sidewalks.	\$100,000
Bethel Corridor Re-Engineering	1.4	City sponsored re-engineering of previous County Corridor Plan design	\$750,000
Anderson Hill/Clifton Intersection	1.5	Intersection improvements at Anderson Hill & Old Clifton Road.	\$1,000,000
Old Clifton/Campus Parkway Intersection	1.6	Construct roundabout at the intersection of Old Clifton Road and Campus Parkway.	\$1,000,000
Sedgwick West Design/ROW	2.1	Design/ROW phase for City-sponsored Corridor Plan between SR16 and Bethel Rd	\$1,156,070
Sedgwick West Construction	2.2	Construction phase of City-sponsored Corridor Plan between SR16 and Bethel Rd	\$3,468,208
Bethel Corridor ROW/Construction	2.3	ROW/construction phase of City-sponsored Corridor Plan	\$24,000,000
SR160 Roundabout #1	2.4	Construction of a new roundabout located between Bravo Terrace and Geiger Rd on SR160	\$1,481,481
SR160 Roundabout #2	2.5	Construction of a new roundabout located between Geiger Rd and Ramsey Rd on SR160.	\$1,481,481

Project Title	TIP Priority Number	Project Description	Cost Budgeted
Sidney Avenue South Widening	2.8	Widen to three lanes (incl. TWLTL), with bike lanes, sidewalks, traffic calming, and stormwater improvements.	\$6,261,850
Old Clifton Shoulder & Pedestrian	2.10	Road is currently two-lanes without sidewalks. This project would widen the road to four lanes and add street lighting, sidewalks, and storm drainage.	\$2,000,000
Old Clifton/McCormick Woods Dr Intersection	2.11	Signal improvements at the intersection of Old Clifton Road and McCormick Woods Drive.	\$1,000,000
Total			\$61,199,090

*Estimated cost based on similar projects

2.5.2 McCormick Urban Village Development

The above table includes four (4) projects that are at least partially funded by the impact fees associated with the McCormick Urban Village Development Agreement. Refer to the table below for the four (4) projects covered within the McCormick Development impact fee. The mitigation fees for the McCormick Woods share of these projects are collected through pre-existing agreements and are, in some cases, subject to credits for improvements already made to support the McCormick Urban Village Development.

Project Title	TIP Priority Number	Project Description	Cost Budgeted	GEM's Proportionate Share
Anderson Hill/Clifton Intersection	1.5	Intersection improvements at Anderson Hill & Old Clifton Road.	\$1,000,000	\$173,000
Old Clifton/Campus Parkway Intersection	1.6	Construct roundabout at the intersection of Old Clifton Road and Campus Parkway.	\$1,000,000	\$371,000
Old Clifton Shoulder & Pedestrian	2.10	Road is currently two-lanes without sidewalks. This project would widen the road to four lanes and add street lighting, sidewalks, and storm drainage.	\$2,000,000	\$2,000,000
Old Clifton/McCormick Woods Dr Intersection	2.11	Signal improvements at the intersection of Old Clifton Road and McCormick Woods Drive.	\$1,000,000	\$110,000
Total			\$5,000,000	\$2,654,000

2.6 Impact Fee Calculation

The impact fee for the City of Port Orchard has been computed based upon trip generation (the increase in traffic) resulting from growth, and the cost of improvements related to growth.

2.6.1 Growth Share of Project Costs

The growth share of project costs for the City of Port Orchard has been computed based upon proportional trip generation (the increase in traffic compared to current traffic) resulting from growth.

Growth share of the eligible project cost is defined as the proportion of the impacted roadway capacity which will be consumed by twenty-year traffic growth, as forecasted by the calibrated citywide travel demand model.

The citywide travel demand model was developed in TransCAD software using existing land use and roadway information provided by the City of Port Orchard, Kitsap County, and Puget Sound Regional Council (PSRC). Trip generation was based upon rates established by the *Institute of Transportation Engineers (ITE) Trip Generation Manual, 9th Edition* and calibrated based on 2015 traffic counts and knowledge of local conditions. The trip distribution and traffic assignment sub-models were calibrated based on local knowledge and regional and national guidance, including the Kitsap County travel demand model and FHWA calibration best practices. A model calibration plot and base year traffic flow graphic are presented in Appendix C.

Future traffic conditions were forecasted by incorporating 20-year land use growth allocations provided by Kitsap County and spatially distributing City and UGA growth totals based on zoning. A network plot displaying twenty-year growth is presented in Appendix C.

The proportionate growth share of budgeted project cost was calculated by dividing 20-year average daily traffic (ADT) growth by the total available capacity of each impacted road or intersection after improvement. ADT was calculated by applying a reasonably estimated K-factor to the PM peak hour traffic volume which was generated by the citywide planning model.

A citywide transportation impact fee rate was calculated by dividing the capacity-based growth share of budgeted project cost by forecasted twenty-year PM peak hour trip growth citywide. The result is an impact fee which charges added transportation demand proportionately to their capacity usage and which can be revised as growth forecasts and planned projects change. The methodology can be described as follows:

$$[\text{Growth Share of Project Cost}] = [\text{20-year ADT Growth}] / [\text{Total Available Capacity}]$$

$$[\text{Impact Fee Rate (\$/PM trip)}] = [\text{Growth Share of Project Cost}] / [\text{Net new PM peak hour trips}]$$

The following tables summarize the budgeted cost, eligible cost, growth share, and forecasted daily trip growth for each of the roadway and multimodal projects identified in the City's Capital Improvement Plan.

Project Title	TIP Priority Number	Cost Budgeted	Growth Share (%)	Growth Share (\$)
Tremont Street Widening	1.1	\$17,500,000	7.4%	\$1,289,439
SR 160 Corridor Pre-Design*	1.3	\$100,000	69.2%	\$69,173
Bethel Corridor Re-Engineering	1.4	\$750,000	38.9%	\$291,509
Anderson Hill/Clifton Intersection	1.5	\$1,000,000	44.5%	\$445,420
Old Clifton/Campus Parkway Intersection	1.6	\$1,000,000	13.9%	\$138,575
Sedgwick West Design/ROW	2.1	\$1,156,070	46.1%	\$533,072
Sedgwick West Construction	2.2	\$3,468,208	46.1%	\$1,599,214
Bethel Corridor ROW/Construction	2.3	\$24,000,000	38.9%	\$9,328,302
SR160 Roundabout #1	2.4	\$1,481,481	72.8%	\$1,078,882
SR160 Roundabout #2	2.5	\$1,481,481	72.8%	\$1,078,882
Sidney Avenue South Widening	2.8	\$6,261,850	37.0%	\$2,316,608
Old Clifton Shoulder & Pedestrian	2.10	\$2,000,000	51.0%	\$1,020,234
Old Clifton/ McCormick Woods Dr Intersection	2.11	\$1,000,000	49.9%	\$498,698
TOTAL		\$61,199,090	32.2%	\$19,688,007

2.7 Proportionate Growth Share and Impact Fee Calculation for Planned Roadway Projects

Impact fees were calculated based upon the growth share's costs identified in Section 2.6 above. The proportionate growth share impact fee for planned roadway projects is based upon a conservative and defensible fee established from the total project costs and estimated 20-year traffic growth is shown below:

$$\text{Growth Share of Eligible Project Costs of } \$19,688,007 \text{ divided by } 7,714 \text{ new PM trips} = \\ \$2,552.24 \text{ /PM trip}$$

2.8 Growth Share and Impact Fee Calculation for McCormick Woods Development

As part of the McCormick Woods Development Agreement, developer GEM 1 has agreed to pay a fee of \$1,992.36 per PM peak hour trip for mitigation of transportation network needs associated with the McCormick Woods development. The citywide impact fee of \$2,456.73 considers the proportionate share of all growth trips equally based on the traffic forecast generated by the calibrated citywide travel demand model. This citywide fee should be reduced for trips in the McCormick Woods development in order to credit GEM 1 for the fee required by the existing development agreement. In this way, growth trips associated with McCormick Woods will pay only the difference between the citywide impact fee of \$2,456.73 per PM peak hour trip and the existing fee of \$1,992.36 per PM peak hour trip. This yields:

$$\text{Citywide Impact Fee of } \$2,552.24 \text{ /PM trip less McCormick Woods Development Impact Fee of } \$1,992.36 \text{ /PM trip} = \\ \$559.88 \text{ /PM trip}$$

2.9 Resulting Transportation Impact Fees

If the above calculated rates were adopted in an impact fee ordinance, the fees paid by several typical developments are summarized below. The McCormick Woods fee reflects the amount due in addition to the existing fee of \$1,992.36 per PM peak hour trip per the Development Agreement.

Single-family home	\$2,552.24	per unit
Apartment	\$1,582.39	per unit
Assisted living	\$561.49	per bed
General office	\$3,802.84	per 1,000 square feet
Specialty retail center	\$4,565.96	per 1,000 square feet
Light industrial	\$2,475.67	per 1,000 square feet

3. Additional Issues for Consideration

3.1 Anticipated Annual Revenues from Impact Fees

Based on anticipated residential and employment projections for the City of Port Orchard, below is the anticipated annual revenue from the proposed Transportation Impact Fees:

Estimated growth trips per year: 386 trips/year x \$2,552.24 /PM trip = \$985,165/year

3.2 Anticipated Grant Revenue

Roadway projects are generally eligible for state and federal grant funds. These funds are not predictable and vary in amount by grantor. Fifty percent of the total project cost is a reasonable estimate for grants on roadway projects.

3.3 Anticipated Need for Other Public Funds

Based on a growth share of 32.2% of total project cost and a 50% assumption for grants, the City will still need to identify other revenue sources to cover approximately 17.8% of the cost of planned roadway projects.

4. Impact Fee Rate Schedule

The table in **Attachment A** establishes the effective Transportation Impact Fee for various land uses both residential and non-residential in Port Orchard. It includes adjustments for pass-by trips.

5. Future Impact Fee Updates

5.1 Future Impact Fee Updates

The Port Orchard impact fee rate analysis generated in this report should be reviewed and approved or updated in the following manner:

- A. *The schedule in **Attachment A** should be reviewed by the Council no later than three years after the effective date of the approved ordinance, and every three years thereafter.*

and

- B. *The schedule in **Attachment A** should be reviewed by the Council in conjunction with the update of the Transportation Improvement Program.*

6. Transportation Impact Fee Comparison

6.1 Comparison of 2013 TIF Base Rates in Western Washington

To provide a relative comparison of the City of Port Orchard Transportation Impact Fees to those within the State of Washington and on a national level, below are some road impact fee metrics from the *Comparison of 2013 TIF Base Rates in 60 Cities and 5 Counties in Western Washington*¹. The Port Orchard rate of \$2,552.24 per trip would be below the average impact fee, but far from the lowest in Washington.

Washington Average Transportation Impact Fee:	\$2,880
Washington Maximum Transportation Impact Fee:	\$14,707 (City of Sammamish)
Washington Minimum Transportation Impact Fee:	\$515 (Kitsap County)
City of Poulsbo Transportation Impact Fee:	\$2,835
City of Gig Harbor Transportation Impact Fee:	\$2,102
Pierce County Transportation Impact Fee:	\$1,742
Kitsap County Transportation Impact Fee:	\$515
Proposed Bainbridge Island Transportation Impact Fee:	\$1,632.47

Attachment B provides the *Comparison of 2013 TIF Base Rates in 60 Cities and 5 Counties in Western Washington* documentation identified above.

¹City of Bellingham, WA Public Works. "Comparison of 2013 TIF Base Rates in 60 Cities and 5 Counties in Western Washington" (Chris Comeau, AICP, 2012)

7. Credits and Adjustments

7.1 Impact Fee Credits

An applicant may request that credit for impact fees be awarded to him/her for the total value of system improvements, including dedications of land, improvements, and/or construction provided by the applicant. Credits should be considered on a case-by-case basis and should not exceed the impact fee payable.

Claims for credit should be made before the payment of the impact fee. Credits for the construction should be provided only if the land, improvements, and/or the facility constructed are listed as planned transportation projects in the Rate Analysis and Impact Fee Ordinance. No credit should be given for code-based frontage improvements or right-of-way dedications, or direct access improvements to and/or within the subject development (project improvements) unless the improvement is part of a project listed in the Rate Analysis and Impact Fee Ordinance.

7.2 Impact Fee Adjustments

An applicant may submit an independent fee calculation for the proposed development activity. The documentation submitted should be prepared by a traffic engineer licensed in Washington State and should be limited to adjustments in the trip generation rates used in the fee calculation. The impact fee per trip should not be adjusted.

Attachment A - IMPACT FEE RATE SCHEDULE

Transportation Impact Fee Rate Schedule – Residential

Impact Fee Per Trip Rate: \$2,552.24

Land Use Group	ITE Code ¹	ITE Land Use Category ¹	ITE Trip Rate ²	% Pass By Trips ³	Net New Trips per Development Unit	Impact Fee per Development Unit ⁴
Dwelling	210	Single-Family Detached Housing	1.00	0%	1.000	\$2,552.24 per DU
Dwelling	220	Apartment	0.62	0%	0.620	\$1,582.39 per DU
Dwelling	231	Low-Rise Condo / Townhouse	0.78	0%	0.780	\$1,990.75 per DU
Dwelling	240	Mobile Home Park	0.59	0%	0.590	\$1,505.82 per DU
Dwelling - Group	251	Sr. Housing Detached	0.27	0%	0.270	\$689.10 per DU
Dwelling - Group	252	Sr. Housing Attached	0.25	0%	0.250	\$638.06 per DU
Dwelling - Group	253	Congregate Care Facility	0.17	0%	0.170	\$433.88 per DU
Dwelling - Group	2546	Assisted Living (limited data)	0.22	0%	0.220	\$561.49 per Bed
Dwelling - Group	6206	Nursing Home	0.22	0%	0.220	\$561.49 per Bed

¹ Institute of Transportation Engineers, Trip Generation Manual (9th Edition)

² Trip generation rate per development unit, for PM Peak Hour of the adjacent street traffic (4-6 pm). Note: Sq. Ft. rate expressed per 1000 SF (KSF).

³ Average Pass-by Rates, per Trip Generation Manual (9th Edition) User's Guide and Handbook: an ITE Recommended Practice, 2012. Additional pass-by rate adjusted based on local conditions and engineering judgment.

⁴ DU = Dwelling Unit

Appendix A
Ordinance No. 023-15

Transportation Impact Fee Rate Schedule – Non-Residential

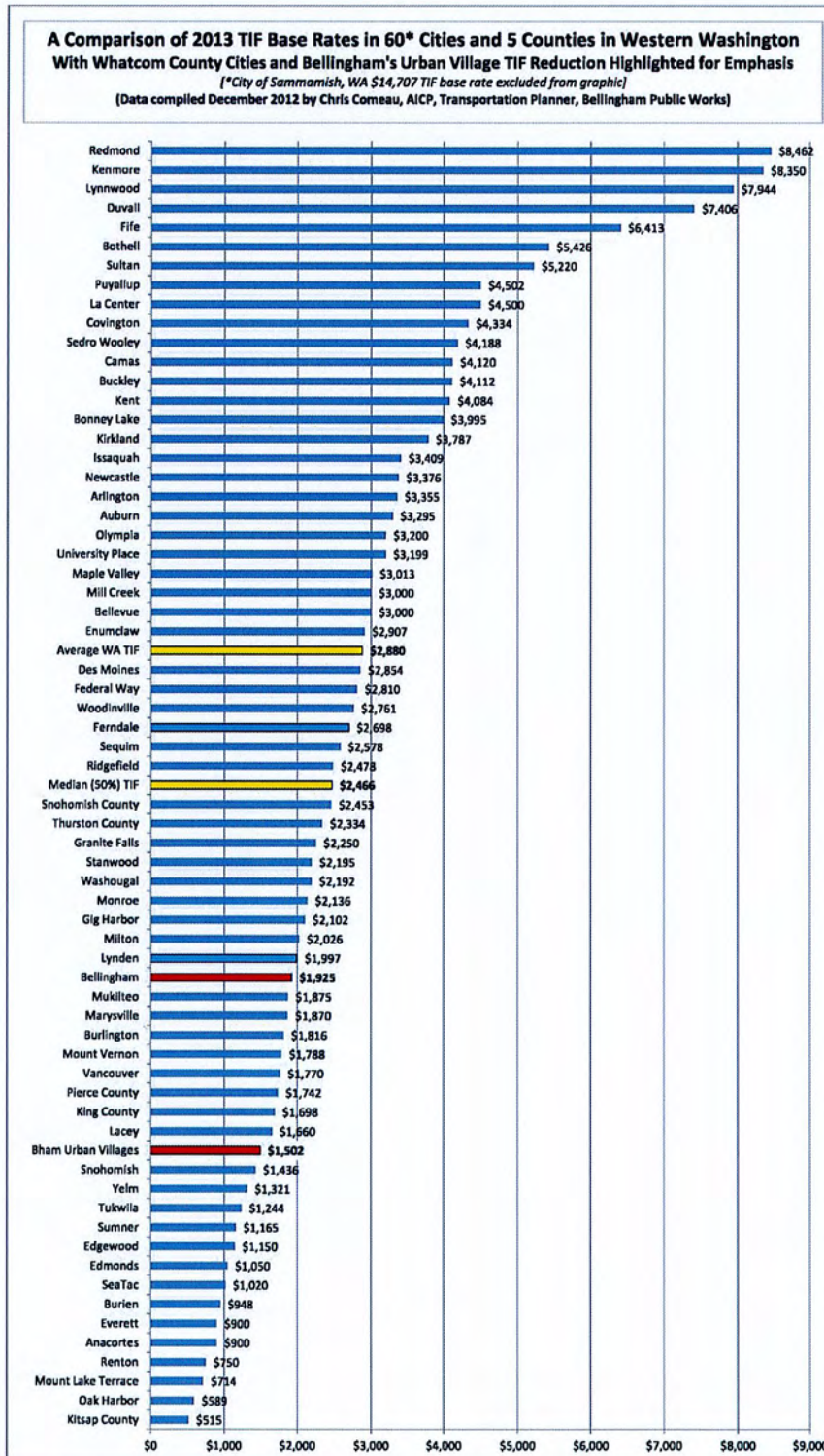
Impact Fee per Trip Rate: \$2,552.24

Land Use Group	ITE Code ¹	ITE Land Use Category ¹	ITE Trip Rate ²	% Pass By Trips ³	Net New Trips per Development Unit	Impact Fee Per Development Unit ⁴
Education	520	Public Elementary School	1.21	0%	1.210	\$3,088.21 per KSF
Education	522	Public Middle/Junior High School	1.19	0%	1.190	\$3,037.17 per KSF
Education	530	Public High School	0.97	0%	0.970	\$2,475.67 per KSF
Education	534	Private School K-8 (limited data)	3.27	0%	3.270	\$8,345.82 per KSF
Education	536	Private School K-12 (limited data)	2.75	0%	2.750	\$7,018.66 per KSF
Industrial	110	General Light Industrial	0.97	0%	0.970	\$2,475.67 per KSF
Industrial	130	Industrial Park	0.85	0%	0.850	\$2,169.40 per KSF
Industrial	140	Manufacturing	0.73	0%	0.730	\$1,863.14 per KSF
Institutional	566	Cemetery	0.84	0%	0.840	\$2,143.88 Per acre
Medical	610	Hospital	0.93	0%	0.930	\$2,373.58 per KSF
Medical	630	Clinic (limited data)	5.18	0%	5.180	\$13,220.60 per KSF
Medical	720	Medical/Dental Office	3.57	0%	3.570	\$9,111.50 per KSF
Office	710	General Office	1.49	0%	1.490	\$3,802.84 per KSF
Office	715	Single Tenant Office	1.74	0%	1.740	\$4,440.90 per KSF
Park and Ride	090	Park and Ride with Bus Service	0.62	0%	0.620	\$1,582.39 per Space
Port and Terminal	030	Intermodal Truck Terminal	0.83	0%	0.830	\$2,118.36 per KSF
Recreation	411	City Park	3.50	25%	2.625	\$6,699.63 per Acre
Recreation	420	Marina (limited data)	0.19	25%	0.143	\$364.97 per Slip
Recreation	430	Golf Course	0.30	25%	0.225	\$574.25 per Acre
Recreation	437	Bowling Alley	1.51	25%	1.133	\$2,891.69 per KSF
Recreation	441	Live Theater (limited data)	0.02	25%	0.015	\$38.28 per KSF
Recreation	444	Movie Theater	3.80	25%	2.850	\$7,273.88 per KSF
Recreation	491	Racquet/Tennis Club	0.84	25%	0.630	\$1,607.91 per KSF
Recreation	492	Health Fitness Club	3.53	25%	2.648	\$6,758.33 per KSF
Recreation	493	Athletic Club	5.96	25%	4.470	\$11,408.51 per KSF
Recreation	495	Recreational Community Center	2.74	25%	2.055	\$5,244.85 per KSF
Retail – Automotive	853	Convenience Market w/Gas Pumps	19.07	66%	6.484	\$16,548.72 per VSP
Retail – Automotive	941	Quick Lubrication Vehicle Stop	5.19	42%	3.010	\$7,682.24 per VSP
Retail – Automotive	944	Gasoline/Service Station	13.87	42%	8.045	\$20,532.77 per VSP
Retail – Automotive	945	Gas Station w/Convenience Market	13.51	56%	5.944	\$15,170.51 per VSP
Retail – Automotive	946	Gas Station w/Convenience Market and Car Wash	13.86	56%	6.098	\$15,563.56 per VSP
Retail – Automotive	947	Self-Serve Car Wash	5.54	42%	3.213	\$8,200.35 per VSP
Retail - Large	814	Variety Store	6.82	34%	4.501	\$11,487.63 per KSF
Retail - Large	815	Free Standing Discount Store	4.98	17%	4.133	\$10,548.41 per KSF
Retail - Large	850	Supermarket	9.48	36%	6.067	\$15,484.44 per KSF
Retail - Large	854	Discount Supermarket	8.34	23%	6.422	\$16,390.49 per KSF
Retail - Small	590	Library	7.30	0%	7.300	\$18,631.35 per KSF
Retail - Small	816	Hardware/Paint Store	4.84	26%	3.582	\$9,142.12 per KSF
Retail - Small	826	Specialty Retail Center	2.71	34%	1.789	\$4,565.96 per KSF
Retail - Small	841	Automobile Sales	2.62	0%	2.620	\$6,686.87 per KSF
Retail - Small	843	Automobile Parts Sales	5.98	43%	3.409	\$8,700.59 per KSF
Retail - Small	848	Tire Store	4.15	28%	2.988	\$7,626.09 per KSF
Retail - Small	851	Convenience Market	52.41	61%	20.440	\$52,167.79 per KSF
Retail - Small	876	Apparel Store	3.83	34%	2.528	\$6,452.06 per KSF
Retail - Small	879	Arts and Crafts Store	6.21	34%	4.099	\$10,461.63 per KSF
Retail - Small	880	Pharmacy/Drug Store w/o Drive-Thru	8.40	53%	3.948	\$10,076.24 per KSF
Retail - Small	881	Pharmacy/Drug Store w/Drive-Thru	9.91	49%	5.054	\$12,899.02 per KSF
Retail - Small	890	Furniture Store	0.45	53%	0.212	\$541.07 per KSF
Retail - Small	896	DVD/Video Rental Store	13.60	49%	6.936	\$17,702.34 per KSF
Retail - Small	911	Walk-in Bank (limited data)	12.13	47%	6.429	\$16,408.35 per KSF
Retail - Small	912	Drive-in Bank	24.30	47%	12.879	\$32,870.30 per KSF
Retail - Small	925	Drinking Place	11.34	0%	11.340	\$28,942.40 per KSF
Retail - Small	931	Quality Restaurant	7.49	44%	4.194	\$10,704.09 per KSF
Retail - Small	932	High Turnover Restaurant	9.85	43%	5.615	\$14,330.83 per KSF
Retail - Small	933	Fast Food w/o Drive-Thru	26.15	49%	13.337	\$34,039.22 per KSF
Retail - Small	934	Fast Food w/Drive-Thru	32.65	50%	16.325	\$41,665.32 per KSF
Retail - Small	936	Coffee/Donut Shop w/o Drive-Thru	40.75	49%	20.783	\$53,043.20 per KSF
Retail - Small	942	Automobile Care Center	3.11	28%	2.239	\$5,714.47 per KSF
Services	151	Mini Warehouse	0.26	0%	0.260	\$663.58 per KSF
Services	310	Hotel	0.60	0%	0.600	\$1,531.34 per KSF
Services	320	Motel	0.47	0%	0.470	\$1,199.55 per KSF
Services	560	Church	0.55	0%	0.550	\$1,403.73 per KSF
Services	565	Day Care Center	12.34	75%	3.085	\$7,873.66 per KSF
Services	732	US Post Office	11.22	47%	5.947	\$15,178.17 per KSF

- 1 Institute of Transportation Engineers, Trip Generation Manual (9th Edition)
- 2 Trip generation rate per development unit, for PM Peak Hour of the adjacent street traffic (4-6 pm). Note: Sq. Ft. rate expressed per 1000 SF.
- 3 Average Pass-by Rates, per Trip Generation Manual (9th edition) User's Guide and Handbook: an ITE Recommended Practice, 2012. Additional pass-by rate adjusted based on local conditions and engineering judgment.
- 4 Sq. Ft. = Square Feet, VSP = vehicle servicing position

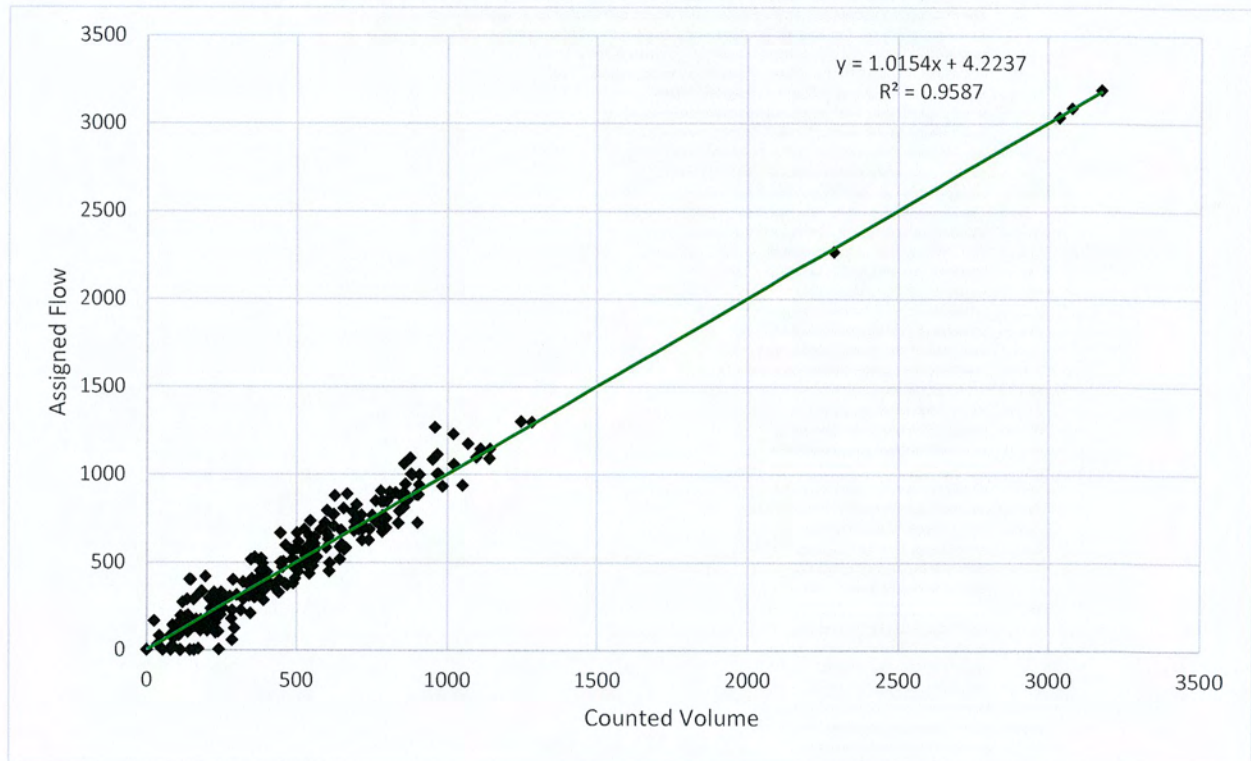
Attachment B

COMPARISON OF 2013 TIF BASE RATES IN 60 CITIES AND 5 COUNTIES IN WESTERN WASHINGTON

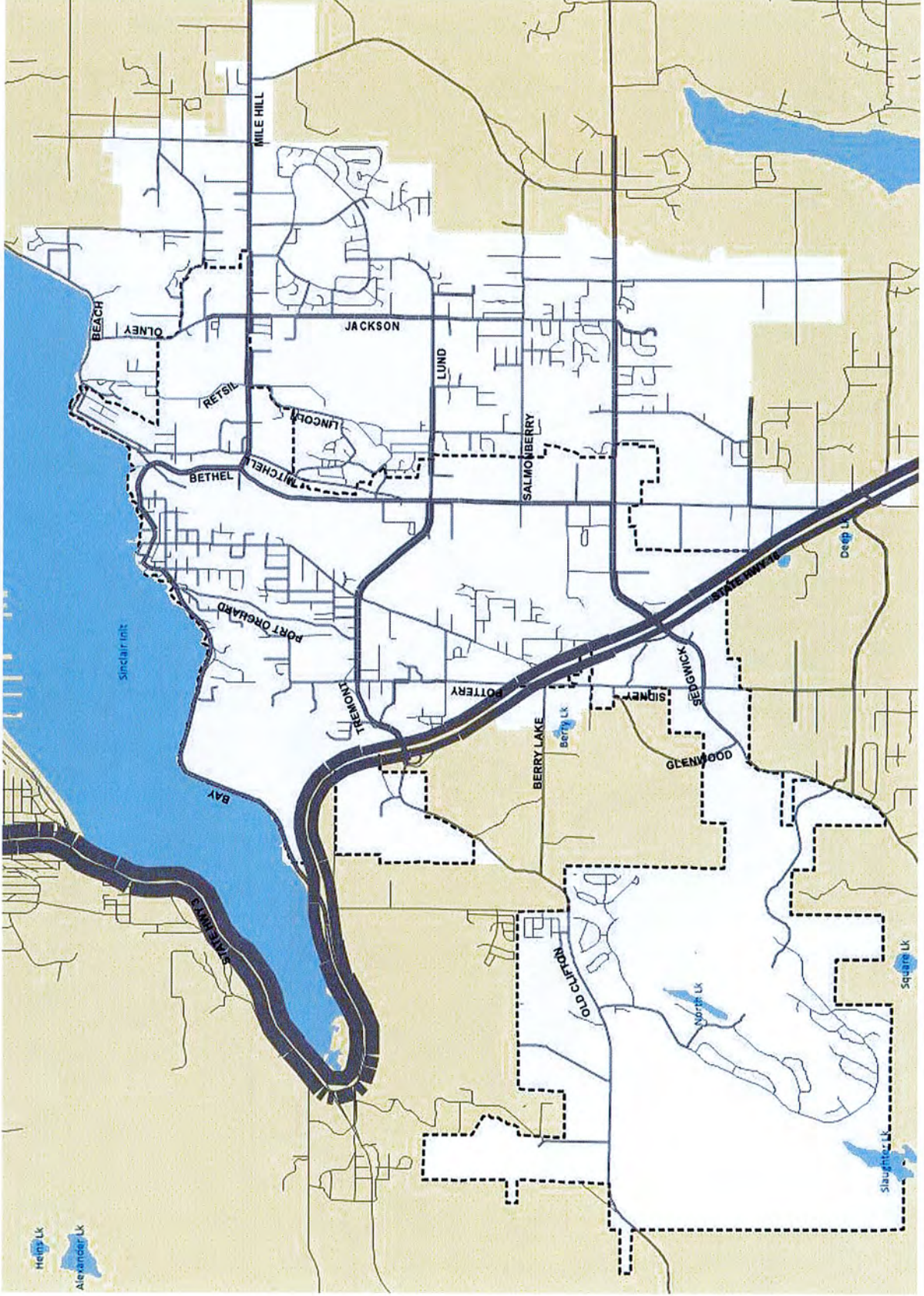


Attachment C - TRAVEL DEMAND MODEL GRAPHICS

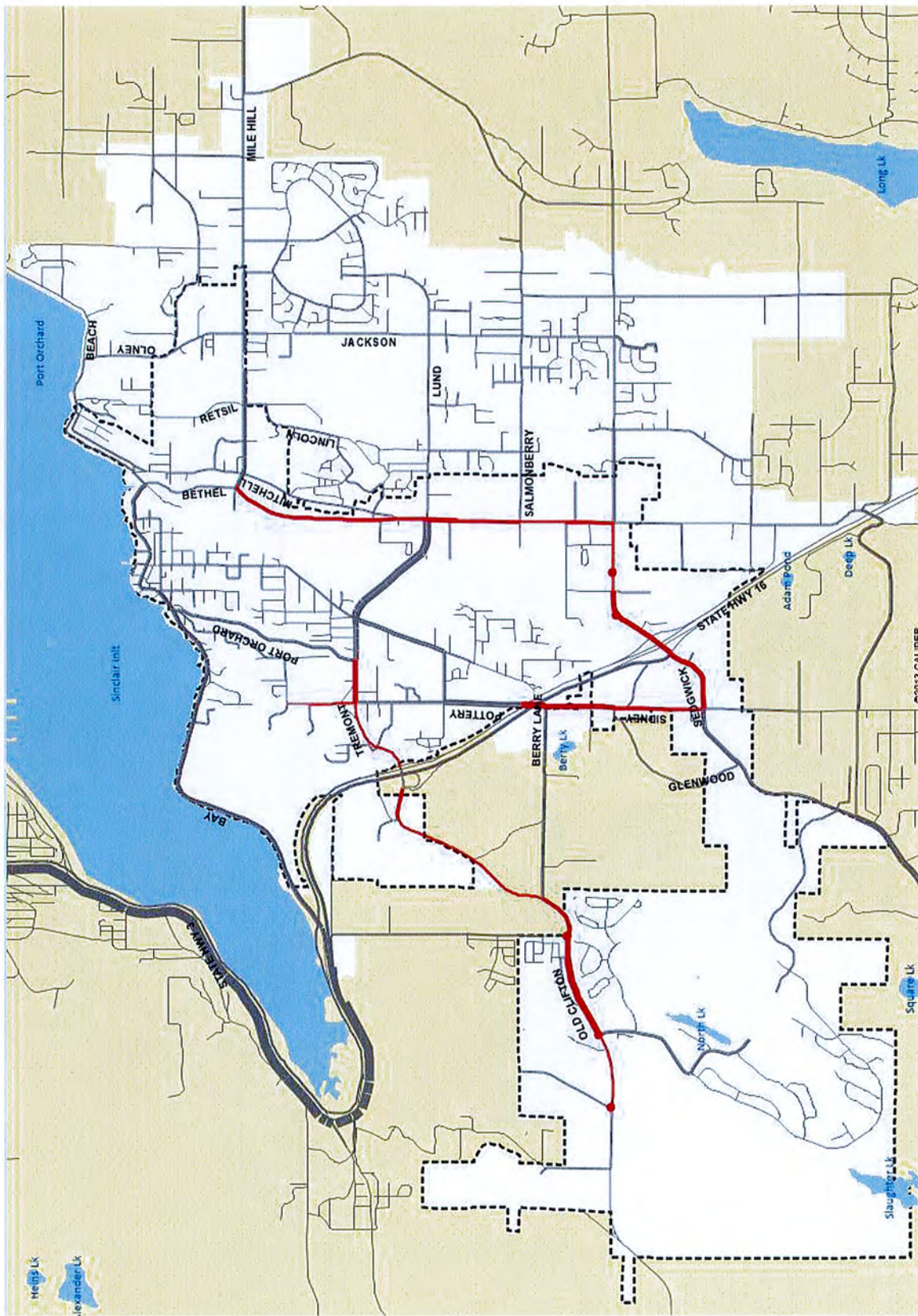
2015 Port Orchard Model Calibration



2015 Port Orchard Network Flow Plot



2014-2035 Traffic Growth with TIF Project Overlay



PORT ORCHARD CITY PARKS PLAN



Appendix E: Impact Fee Calculations

E.1 Introduction

This study of impact fees for parks and recreational facilities for the City of Port Orchard presents the methodology, summarizes the data, and explains the calculation of the fees. The methodology is designed to comply with the requirements of Washington law. This introduction describes the basis for parks and recreational impact fees, including:

- Definition and Rationale of Impact Fees
- Statutory Basis For Impact Fees
- Methodology for Calculating Impact Fees
- Need for Additional Parks and Recreational Facilities
- Determining the Benefit of Parks and Recreational Facilities to Development
- Methodology and Relationship to Port Orchard City Parks Plan
- Level of Service and Calculations

E 1.1 Definition and Rationale of Impact Fees

Impact fees are charges paid by new development to reimburse local governments for the capital cost of public facilities that are needed to serve new development and the people who occupy the new development. New development is synonymous with "growth."

Local governments charge impact fees on either of two bases. First, as a matter of policy and legislative discretion, they may want new development to pay the full cost of its share of new public facilities because that portion of the facilities would not be needed except to serve the new development. In this case, the new development is required to pay for virtually all the cost of its share of new public facilities.

On the other hand, local governments may use other sources of revenue to pay for the new public facilities that are required to serve new development. If, RCW 82.02.050 (2) prohibits impact fees that charge 100% of the cost, but does not specify how much less than 100%, leaving that determination to local governments. However, such revenues are not sufficient to cover the entire costs of new facilities necessitated by new development; the new development may be required to pay an impact fee in an amount equal to the difference between the total cost and the other sources of revenue.

There are many kinds of "public facilities" that are needed by new development, including parks and recreational facilities, fire protection facilities, schools, roads, water and sewer plants, libraries, and other government facilities. This study covers parks and recreational facilities for the City of Port Orchard, Washington. Impact fees for parks and recreational facilities are charged to all residential development within the City of Port Orchard.

E1.2 Statutory Basis for Impact Fees

RCW 82.02.050 - 82.02.090 authorizes local governments in Washington to charge impact fees. The impact fees that are described in this study are not mitigation payments authorized by the State Environmental Policy Act (SEPA). There are several important differences between impact fees and SEPA mitigations. Two aspects of impact fees that are particularly noteworthy are: 1) the ability to charge for the cost of public facilities that are "system improvements" (i.e., that provide service to the community at large) as opposed to "project improvements" (which are "on-site" and provide service for a particular development), and 2) the ability to charge small-scale development their proportionate share, whereas SEPA exempts small developments. Four types of public facilities can be the subject of impact fees: 1) public streets and roads; 2) publicly owned parks, open space and recreational facilities; 3) school facilities; and 4) fire protection facilities (in jurisdictions that are not part of a fire district). RCW82.02.050 (2) and (4) and RCW82.02.090 (7)

Impact fees must be limited to system improvements that are reasonably related to, and which will benefit new development. RCW 82.02.050(3) (a) and (c). Local governments must establish reasonable service areas (one area, or more than one, as determined to be reasonable by the local government), and local governments must develop impact fee rate categories for various land uses. RCW 82.02.060(6) Impact fees cannot exceed the development's proportionate share of system improvements that are reasonably related to the new development. The impact fee amount shall be based on a formula (or other method of calculating the fee) that determines the proportionate share. RCW82.02.050(3)(b) and RCW82.02.060(1)

Impact fees can be charged for new public facilities (RCW 82.02.060(1)(a)) and for the unused capacity of existing public facilities (RCW 82.02.060(7)) subject to the

proportionate share limitation described above. Additionally, the local government must separate the impact fees from other monies, expend the money on CFP projects within 6 years, and prepare annual reports of collections and expenditures.
RCW82.02.070(1)-(3)

E 2 Methodology for Calculating Impact Fees

Prior to calculating impact fee rates, several issues must be addressed in order to determine the need for, and validity of such fees: responsibility for public facilities, the need for additional park and recreational facilities, the need for revenue for additional parks and recreational facilities, and the benefit of new parks and recreational facilities to new development.

In general, local governments that are authorized to charge impact fees are responsible for specific public facilities for which they may charge such fees. The City of Port Orchard is legally and financially responsible for the parks and recreational facilities it owns and operates within its jurisdiction. In no case may a local government charge impact fees for private facilities, but it may charge impact fees for some public facilities that it does not administer if such facilities are "owned or operated by government entities" (RCW 82.82.090(7)).

E 2.1 Need for Additional Park and Recreational Facilities

The need for additional parks and recreational facilities is determined by using standards for levels of service for park and recreational facilities to calculate the quantity of facilities that are required. For the purpose of quantifying the need for parks and recreational facilities, this study uses the City's value of investment in parks and recreational facilities per capita. As greater growth occurs, more investment is required, therefore more parks and recreational facilities are needed to maintain standards.

E 2.2 Determining the Benefit to Development

The Washington State law regarding Impact Fees imposes three provisions of the benefit provided to development by impact fees: 1) proportionate share, 2) reasonably related to need, and 3) reasonably related to expenditure (RCW 80.20.050(3)). First, the "proportionate share" requirement means that impact fees can be charged only for the portion of the cost of public facilities that is "reasonably related" to new development.

Second, fulfilling the requirement that impact fees be "reasonably related" to the development's need for public facilities, including personal use and use by others in the family (direct benefit), use by persons or organizations who provide goods or services to the fee-paying property (indirect benefit), and geographical proximity (presumed benefit). Impact fees for park and recreational facilities, however, are only charged to

residential development in the City because the majority of benefits are to the occupants and owners of dwelling units. As a matter of policy, the City of Port Orchard elects not to charge parks and recreational impact fees to non-residential properties because there is insufficient data to document the proportionate share of parks reasonably needed by non-residential development.

Lastly, the requirement that expenditures be "reasonably related" to the development that paid the impact fee includes that fee revenue must be earmarked for specific uses related to public facilities ensures that expenditures are on identifiable projects, the benefit of which can be demonstrated and that impact fee revenue must be expended within 6 years, thus requiring a timeliness to the benefit to the fee-payer.

E 2.3 Methodology and Relationship to the Port Orchard City Parks Plan

Impact fees for parks and recreational facilities in the City of Port Orchard are based on the value per capita of the City's existing investment in parks and recreational facilities for the population of the City. New development will be provided the same investment per capita, to be funded by a combination of general and capital improvement fund revenue and impact fees. The amount of the impact fee is determined by charging each new development for the average number of persons per dwelling unit multiplied times the amount of the investment per capita that is to be paid by growth.

E3. Level of Service Standard Calculations

The level of service, as defines as the capital investment per person, is calculated by multiplying the capacity of parks and recreational facilities times the average costs of those items. Within this calculation, there are two variables that benefit from further definition explanation: The value of parks and recreational inventory, and the Service population.

E 3.1 Value of Parks and Recreational Inventory

The value of the existing inventory of parks and recreational facilities is calculated by determining the value of each park as well as each recreational facility. The sum of all of the values equal the current value of the City's parks and recreational system

E 3.2 Service Population

The service population is the number of persons served by the inventory of parks and recreational facilities. Port Orchard's service population consists of the City's current 2011 population of 11,144 as provided by the Washington State of Financial Management. The forecast population for 2030 of is the projected population

estimated for Comprehensive Planning efforts and adopted by all Kitsap County jurisdictions, through the County Wide Planning Policies. This figure is provided to estimate future population growth within the existing City boundaries and is utilized in calculating the annual portion of that growth rate for the Impact Fee calculations.

E 3.3 Calculation of Park and Recreational Capital Investment per Person

The City of Port Orchard's capital value per person is the standard the City uses to ensure that each resident receives an equitable amount of parks and recreational facilities. The City provides this value by investment in parks and recreational facilities that are most appropriate for each site and which respond to changing needs and priorities as the City grows and the demographics and needs of the population changes.

Attachment E1 (at the end of this Appendix) lists the types of land and recreational facilities that make up the City of Port Orchard's existing park system. Each component is listed in the first column, along with the capital value of each type of park land or recreational facility in the final column. The capital value for all City owned parks & recreational facilities in the inventory comes to a total of \$7,228,929. This total value is divided by the service population of 11,144 for the City determines the current capital value per person of \$649. (Please reference Attachment E2: Figure E1)

E 4 PARKS AND RECREATIONAL FACILITY NEEDS

This section calculates the value of parks and recreational facilities that are needed to serve growth, reduced by the typical proportion of project values that are grant or otherwise funded. Impact fees are related to the needs of growth through calculating the total value of parks and recreational facilities that are needed for growth. The calculation is accomplished by multiplying the capital investment per person times the number of new persons that are forecast for the City's growth. (Please reference Attachment E2: Figure E2)

E 4.1 Calculation of Total Value Needed For Growth

The calculations for the total value of Parks and Recreation Facilities needed to accommodate the forecasted growth is a tabulation of the level of service standard for capital investment per person from Figure E1 times the total amount of population growth forecast for the six year Impact Fee planning period. The resulting calculation shows the total value of parks and recreational facilities that are needed to serve the growth that is forecast for Port Orchard (Please reference Attachment E2: Figure E2). The result of Figure E2 illustrates that Port Orchard needs parks and recreational facilities valued at \$1,928,434 in order to serve the growth of 2,973 additional people (forecast at an annual growth rate of 495 per year) who are expected to be added to the City's population during the six year Impact Fee planning period.

E 4.2 Total Investment to be Paid by Growth

The investment to be paid by growth is calculated by subtracting the amount of any revenues the City invests in infrastructure for growth from the total investment in parks and recreational facilities needed to serve growth. The previous calculation showed the total amount that is needed to invest in additional parks and recreation facilities in order to serve future growth. The proportionate share of that investment to be paid by growth is dependent upon the historic share of improvements provided by the City of Port Orchard through grants or other revenue streams. The proportionate share for development to pay for new facilities includes the City of Port Orchard historical use of local sources, such as real estate excise tax, grant funding, and other revenues to pay for part of the cost of parks and recreational facility capital costs. Revenues that are used for repair, maintenance or operating costs are not used to reduce impact fees because they are not used, earmarked or prorated for the system improvements that are the basis of the impact fees. The City's investment has averaged 50% of the cost of capital improvement projects for parks and recreational facilities (Please reference Attachment E2: Figure E3). The result of Figure E3 illustrates that Port Orchard expects to use \$964,217 in grants and other revenues to serve the total needs of additional parks and recreational facilities to maintain the City's standards for future growth, with the remaining \$964,217 to be paid by growth as a proportionate share.

E5 IMPACT FEE PER UNIT OF DEVELOPMENT

In this section the investment in additional parks and recreational facilities to be paid by growth is used to calculate the park and recreational facilities growth cost per person which is then used to calculate the impact fee per dwelling unit.

E 5.1 Growth Cost Per Person

The growth cost per person is calculated by dividing the investment in parks and recreational facilities that is to be paid by growth by the amount of population growth during the six year Impact Fee planning period (Please reference Attachment E2: Figure E4). The result of Figure E4 illustrates the calculation of the cost per person of parks and recreational facilities that needs to be paid by growth is \$324 per person. The amount to be paid by each new dwelling unit depends on the number of persons per dwelling unit.

E 5.2 Impact Fee per Dwelling Unit

The impact fee per dwelling unit is calculated by multiplying the growth cost per person by the number of persons per dwelling unit. The number of persons per dwelling unit is the factor used to convert the growth cost of parks and recreational facilities per

person into impact fees per dwelling unit. The number of persons per dwelling unit data is based on the adopted 2008 Port Orchard Comprehensive Plan, Chapter 3. Housing; which sets an population household size of 2.5 persons per single family unit and a calculation of 1.8 persons per Multi-family housing unit within the City of Port Orchard (Please reference Attachment E2: Figure E5 and E6 respectively).

The resulting calculations of Figure E5 shows the calculation of the parks and recreational facilities impact fee of \$811 per single family dwelling unit. The resulting calculations of Figure E6 show the calculation of the parks and recreational facilities impact fee of \$584 per multi-family dwelling unit. Impact Fee amounts, upon adoption by City Council, are to be implemented and collected subject to the provisions of Port Orchard Municipal Code Section 16.70.

E6. Summary

This study of impact fees for parks and recreational facilities for the City of Port Orchard summarizes the methodology, presents the data, and explains the calculation of the fees that result in the recommended amounts. Similar sized Cities within Kitsap County have chosen to utilize much higher impact fee amounts, for example the City of Poulsbo recently raised their Park Impact Fee from \$500 to \$1,195 per unit. The proposed Park Impact Fees for the City of Port Orchard of \$811 per single family dwelling unit and \$584 per multi-family dwelling unit, although consistent with the City of Port Orchard level of service, still are well below the Washington State average of \$2,849 per single family dwelling unit and \$2,147 per multi-family dwelling unit respectively. (Sourced from the National Impact Fee Survey 2009, prepared by Clancy Mullen, Duncan Associates, Austin, TX on December 20, 2009) The methodology utilized for arriving at the City of Port Orchard impact fee amounts has been a statewide standard incorporated for numerous Washington State cities and is designed to comply with the requirements of Washington law.

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VII. DISTRICT FINANCE PLAN

The principal funding mechanism for school facility construction and modernization has traditionally been voter approved bonds. More recently, school districts have been turning to capital levies to support modernizations and elementary school new construction projects. Other funding sources can include state funding assistance and development impact (mitigation) fees.

General Obligation Bonds

Bonds are typically used to fund construction of new schools and other major capital improvement projects. A 60% voter approval is required for passage. Bonds are then retired over time through the collection of property taxes.

The South Kitsap School District had an assessed valuation of \$6,123,112,269 as of August 31, 2014. The limit for all outstanding bonds for SKSD is 5% of assessed value or \$306,155,613. The District had \$5,645,481 of debt as of August 31, 2014, and therefore has a current bonding capacity of \$300,510,132.

State Funding Assistance

The source of State Funding Assistance, formerly State Match Funds, is the Common School Construction Fund. Bonds are sold on behalf of the fund then retired with revenues accruing predominantly from the sale of renewable resources (i.e., timber) from state school lands set aside by the Enabling Act of 1889. If these sources are insufficient to meet the needs of the program, the Legislature can appropriate additional funding, or the State Board of Education can ration project funding on a priority basis.

School districts may qualify for state funding assistance for specific capital projects based on an eligibility system. Eligible projects are prioritized using seven different criteria. Funds are then disbursed to districts on a percentage basis that is based on a formula that compares each district's assessed valuation per pupil relative to the entire state assessed valuation per pupil. This percentage is known as the Funding Assistance Percentage, formerly State Match Ratio.

The base to which this percentage is applied is the cost of construction as determined by the "Construction Cost Allocation" multiplied by the "Eligible Area". The Construction Cost Allocation (CCA) is used by OSPI to help define or limit its level of financial support for school construction. It is a budget driven value that is not intended to fully reflect the actual cost of school construction in Washington State. The Eligible Area portrays either the square footage of new space required to address unhoused students for an enrollment project, or the building square footage approved for upgrade or replacement for a modernization project.

State funding assistance is available to assist districts with construction costs for enrollment and modernization related school construction projects but cannot be used for site acquisition, the purchase of portables or for normal building maintenance. Because the availability of state assistance funds may not always keep pace with the enrollment growth or modernization needs of all of Washington's school districts, assistance funds from the state may not be received by a school district until two or three years after a school project has begun. In such cases, a district may be required to "front fund" meaning it must be prepared to finance the entire project with local funds. The State's share of the project funding is then provided to the district later in the form of a reimbursement. In some cases projects may not receive any state assistance at all. State funding assistance is not guaranteed.

South Kitsap School District 2015 Capital Facilities Plan

New Development Mitigation/Impact Fees

The authority for local jurisdictions to condition new development on the mitigation of school impacts is provided for under the State Subdivision Act, Chapter 58.17 RCW, the State Environmental Policy Act, Chapter 43.21C RCW, and the Growth Management Act, Chapter 36.70A RCW. These state statutes seek to ensure that adequate public facilities are available to meet the demands of new growth by authorizing permitting jurisdictions to condition development approval on the implementation of mitigation measures that enable local jurisdictions to meet the infrastructure demands of new development.

- **Subdivision Act Mitigation** RCW 58.17.110 requires the permitting jurisdiction to find that proposed plats adequately provide for schools and school grounds. The proposed development must provide land sufficient to ensure that such facilities are provided for potential new students.
- **SEPA Mitigation.** SEPA provides that local jurisdictions may condition the approval of a new development to the mitigation of specific adverse environmental impacts which are identified in SEPA environmental documents. *See* RCW 43.21C.060. Under SEPA, the "built environment" includes public schools. *See* WAC 197-11-444(2) (d) (iii).
- **GMA Mitigation.** Development impact fees have been adopted by Kitsap County and the City of Port Orchard as a means of supplementing traditional funding sources for the construction of public facilities needed to accommodate new development. The City of Bremerton does not impose an impact fee on new development. The District participates in the permit review processes of jurisdictions within its boundaries to ensure that its interests are considered when new developments are proposed that will generate additional students.

Six-Year Finance Plans

The Six-Year Capital Finance Plan (Table 12) portrays how South Kitsap School District intends to fund improvements to school facilities for the years 2015 through 2020.

South Kitsap School District 2015 Capital Facilities Plan

Table 12
Capital Finance Plan (2015-2020)

Sources:		
CFP Balance/Impact Funds (Aug 2014)	\$ 1,000,164	
Impact Fee Collections 2015-2020 (est.)	\$ 1,438,680	
Transfer from General Funds	\$ 0	
State Matching Funds (est.)	\$ 0	
Sale of General Obligation Bonds	\$ 0	
Improvements to Existing Facilities	\$ 4,750,000	\$7,188,844
Uses:		
CFP Balance/Impact Funds (Aug 2020 est.)	\$ 378,769	
Improvements to Existing Facilities	\$ 4,750,000	
Construction for Enrollment Growth	\$ 0	
Site Acquisition	\$ 1,760,075	
Construction of Support Facilities	\$ 0	
Interim Classroom Space	\$ 300,000	
Program Changes	\$ 0	\$ 7,188,844
Balance:		\$ 0

South Kitsap School District 2015 Capital Facilities Plan

VIII. UNFUNDED NEED CALCULATION

The calculation of the South Kitsap School District unfunded need in support of jurisdictional school impact fee collection is provided on the spreadsheets that follow. This calculation recognizes projected costs anticipated over the life of the six-year plan including acquisition costs for interim housing and debt service payments on a 56 acre school site that was purchased in 2005.

The “Unfunded Need Total” on the last line of the SKSD Impact Fee Calculation document portrays the cost of addressing new home construction related enrollment growth identified within the six-year capital construction plan. This value is greater than the actual school impact fees specified and collected under respective Kitsap County and City of Port Orchard impact fee ordinances.

South Kitsap School District 2015 Capital Facilities Plan

<u>Description</u>	<u>Grade Span</u>	<u>Value</u>	<u>Units</u>	<u>Comments</u>
Student Generation Factor-SFH	Elementary	0.32	Students/Residence	2007 Kendrick Demographic Study
Student Generation Factor-SFH	Jr. High	0.10	Students/Residence	2007 Kendrick Demographic Study
Student Generation Factor-SFH	Sr. High	0.10	Students/Residence	2007 Kendrick Demographic Study
Student Generation Factor-MFH	Elementary	0.18	Students/Residence	2007 Kendrick Demographic Study
Student Generation Factor-MFH	Jr. High	0.09	Students/Residence	2007 Kendrick Demographic Study
Student Generation Factor-MFH	Sr. High	0.09	Students/Residence	2007 Kendrick Demographic Study
Facility Acreage	Elementary	14.00	Acres	District Average
Facility Acreage	Jr. High	22.00	Acres	District Average
Facility Acreage	Sr. High	42.00	Acres	Plan for New High School
Cost per Acre	All	\$115,000	Cost/Acre	Market Estimate
Facility Size - New Construction	Elementary	550	Students/School	District Standard
Facility Size - New Construction	Jr. High	900	Students/School	District Standard
Facility Size - New Construction	Sr. High	1800	Students/School	Plan for New High School
Facility Size - Temporary Construction	Elementary	24	Student/Classroom	District LOS
Facility Size - Temporary Construction	Jr. High	26	Student/Classroom	District LOS
Facility Size - Temporary Construction	Sr. High	26	Student/Classroom	District LOS
Permanent Sq. Footage (Total)	Elementary	507894	Square Feet	State Study & Survey
Permanent Sq. Footage (Total)	Jr. High	286193	Square Feet	State Study & Survey
Permanent Sq. Footage (Total)	Sr. High	345474	Square Feet	State Study & Survey
Portable Sq. Footage (Total)	Elementary	45900	Square Feet	Portables Inventory
Portable Sq. Footage (Total)	Jr. High	18900	Square Feet	Portables Inventory
Portable Sq. Footage (Total)	Sr. High	10800	Square Feet	Portables Inventory
Facility Cost - New Construction	Elementary		Cost/School	
Facility Cost - New Construction	Jr. High		Cost/School	
Facility Cost - New Construction	Sr. High		Cost/School	
Facility Cost - Temporary Construction	Elementary	\$300,000	Cost/Portable	Standard Dbl Portable including Site Costs
Facility Cost - Temporary Construction	Jr. High	\$300,000	Cost/Portable	Standard Dbl Portable including Site Costs
Facility Cost - Temporary Construction	Sr. High	\$300,000	Cost/Portable	Standard Dbl Portable including Site Costs
Boeckh Index / Area Cost Allowance	All	\$206.70	Cost/sq. ft.	OSPI - 2015
SPI Footage	Elementary	90.0	Sq. Ft./Student	OSPI - 2015
SPI Footage	Jr. High	121.3	Sq. Ft./Student	OSPI - 2015
SPI Footage	Sr. High	130.0	Sq. Ft./Student	OSPI - 2015
State Match Ratio	All	59.98%	Percent	OSPI - 2015
Average Assessed Value - SFH	All	\$201,260	Cost/Unit	Kitsap County Assessor SFH 2015
Average Assessed Value - MFH	All	\$100,630	Cost/Unit	Kitsap County Assessor SFH 2015 @ 50%
Capital Bond Interest Rate	All	0.00%	Percent	
Years Amortized	All	10	Years	
Property Tax Levy Rate - Capital Construction	All	\$0.00	Cost/\$1000 A.V.	

South Kitsap School District 2015 Capital Facilities Plan

School Site Acquisition Cost:

((Acres X Cost per Acre)/Facility Capacity) X Student Generation Factor

CALCULATIONS

	Facility Acreage	Cost per Acre	Facility Capacity	SGF SFH	SGF MFH	Cost per SFH	Cost per MFH
Elementary	14	\$115,000.00	550	0.32	0.18	\$936.73	\$526.91
Jr. High	22		900	0.10	0.09	\$0.00	\$0.00
Sr. High	42	\$115,000.00	1800	0.10	0.09	\$268.33	\$241.50
						\$1,205.06	\$768.41

School Construction Cost:

((Facility Cost/Facility Capacity) X Student Generation Factor) X Permanent/Total Sq. Ft.)

	% Perm/ Total Sq. Ft.	Facility Cost	Facility Size	SGF SFH	SGF MFH	Cost per SFH	Cost per MFH
Elementary	92%		550	0.32	0.18	\$0.00	\$0.00
Jr. High	94%		900	0.10	0.09	\$0.00	\$0.00
Sr. High	97%		1800	0.10	0.09	\$0.00	\$0.00
						\$0.00	\$0.00

Temporary Facility Cost:

((Facility Cost/Facility Capacity) X Student Generation Factor) X (Temporary/Sq. Ft)

	% Temp/ Total Sq. Ft.	Facility Cost	Facility Size	SGF SFH	SGF MFH	Cost per SFH	Cost per MFH
Elementary	8%	\$300,000.00	48	0.32	0.18	\$165.77	\$93.24
Jr. High	6%		52	0.10	0.09	\$0.00	\$0.00
Sr. High	3%		52	0.10	0.09	\$0.00	\$0.00
						\$165.77	\$93.24

State Match Credit

Area Cost Allowance X SPI Sq. Ft X State Match X Student Generation Factor

	Boeckh Index	SPI Footage	State Match %	SGF SFH	SGF MFH	Cost per SFH	Cost per MFH
Elementary	\$206.70	90.00		0.32	0.18	\$0.00	\$0.00
Jr. High	\$206.70	121.30		0.10	0.09	\$0.00	\$0.00
Sr. High	\$206.70	130.00		0.10	0.09	\$0.00	\$0.00
						\$0.00	\$0.00

Tax Payment Credit

	SFH	MFH
Average Assessed Value		
Capital Bond Interest Rate	0.00%	0.00%
Net Present Value of Average Dwelling		
Years Amortized	10	10
Property Tax Levy Rate	<u>\$0.00</u>	<u>\$0.00</u>
Present Value of Revenue Stream	\$0.00	\$0.00

NEED SUMMARY

	SINGLE FAMILY	MULTI FAMILY
School Site Acquisition Cost	\$1,205.06	\$768.41
Permanent Facility Cost	\$0.00	\$0.00
Temporary Facility Cost	\$165.77	\$93.24
State Match Credit	\$0.00	\$0.00
Tax Payment Credit	<u>\$0.00</u>	<u>\$0.00</u>
UNFUNDED NEED TOTAL	\$1,370.83	\$861.65

**NOTICE OF CITY OF PORT ORCHARD
ORDINANCE**

The following is a summary of an Ordinance approved by the Port Orchard City Council at their regular Council meeting held November 10, 2015.

ORDINANCE NO. 023-15

AN ORDINANCE OF THE CITY COUNCIL OF PORT ORCHARD, WASHINGTON, RELATING TO IMPACT FEES FOR NEW DEVELOPMENT, REPEALING THE CURRENT IMPACT FEE CHAPTER 16.70 POMC AND ADOPTING A NEW CHAPTER IDENTIFYING A SERVICE AREA, DESCRIBING THE MANNER IN WHICH TRANSPORTATION, SCHOOL AND PARK IMPACT FEES ARE CALCULATED, THE PROCEDURE FOR OBTAINING CREDITS, VARIATIONS FROM THE IMPACT FEE SCHEDULES, EXPLAINING THE PURPOSE OF THE PROJECT LIST, ESTABLISHING AN APPEAL PROCESS AND ADOPTING THE TRANSPORTATION AND PARKS IMPACT FEE SCHEDULES, ADOPTING A NEW CHAPTER 16.70 TO THE PORT ORCHARD MUNICIPAL CODE.

Copies of Ordinance No. 023-15 are available for review at the office of the City Clerk of the City of Port Orchard. Upon written request a statement of the full text of the Ordinance will be mailed to any interested person without charge. Thirty days after publication, copies of Ordinance No. 023-15 will be provided at a nominal charge.

City of Port Orchard

Brandy Rinearson
City Clerk

Published: November 20, 2015