

## MEMORANDUM

<b>Date:</b>	July 10, 2009	<b>TG:</b>	08164.00
<b>To:</b>	Sophie Stimson, City of Olympia		
<b>From:</b>	Andrew Mortensen, Transpo Group		
<b>cc:</b>	Terry Moore, ECONorthwest		
<b>Subject:</b>	Washington State Growth Management Act, Concurrency and SEPA		

This memorandum provides context and summary of Washington State's Growth Management Act with respect to Concurrency and the Washington State Environmental Policy Act (SEPA). It is written to and for the City of Olympia Staff and ATAC as part of the Olympia Mobility Strategy project. The memorandum includes five major sections. The first four are summaries of information provided in other Olympia Mobility Strategy documents. These sections are prelude and context to the final section, and area included for full context on GMA and transportation concurrency so the reader doesn't have to refer to external sources and previous study material.

**The reader may want to skip the first four sections and proceed to the final section on [PAGE 7](#) titled - *Consideration of Revised Concurrency or Transportation Impact Fee Policy to Include Critical Non-Motorized Transportation Needs*.** This last section is the focus of this memorandum and includes an attached table summarizing options to enhance Olympia's non-motorized system through development mitigation.

The five sections of this memorandum are:

1. Introduction
2. Washington's Growth Management Act (GMA) Requirements
3. Other Development Review Programs
4. Olympia's Transportation Concurrency Program and Level of Service Standards
5. **Consideration of Revised Concurrency, Transportation Impact Fee and SEPA Policy to Include Critical Non-Motorized Transportation Projects**

This memorandum, particularly section 5, section does not address the various issues of equity or fairness with respect to the options identified, and defers that assessment to a later date once the City and ATAC have discussed and confirmed options it deems worthy of further evaluation.

### 1. Introduction

Transportation concurrency is a requirement of Washington State's 1990 Growth Management Act (GMA). The GMA gives specific attention to *concurrency* for transportation, as concurrency essentially means that adequate public facility improvements and/or strategies are to be in place to serve new development as it occurs; or that a financial commitment exists to complete the improvements (or strategies) within six years. It is implemented through the adoption, monitoring, and maintenance of Level of Service (LOS) standards established in a local jurisdiction's Comprehensive Plan.

The GMA requires local jurisdictions to adopt and enforce transportation concurrency ordinances, but allows local jurisdictions to define, measure, monitor, and maintain LOS according to the land use and transportation system priorities adopted in the local Comprehensive Plan.

## 2. Growth Management Act Requirements

The GMA<sup>1</sup> states that “...local jurisdictions must adopt and enforce ordinances which prohibit development approval if the development causes the level of service on a locally owned transportation facility to decline below the standards adopted in the transportation element of the comprehensive plan, unless transportation improvements or strategies to accommodate the impacts of development are made concurrent with the development...”concurrent with development” shall mean that improvements or strategies are in place at the time of development, or that financial commitment is in place to complete the improvements or strategies within six years.”

GMA requires counties and cities planning under GMA to establish level of service standards for “all locally owned arterials and transit routes to serve as a gauge to judge performance of the system<sup>2</sup>.” The adopted LOS standard is used to determine if the transportation facilities are adequate to accommodate additional growth. If the LOS standards cannot be met, then new development cannot be approved unless improvements or other strategies are identified that allow the standard to be met. GMA provides for a six-year period for the needed improvements or strategies to meet concurrency. The strategies can include other travel modes including public transit, ridesharing, demand management programs, and/or transportation systems management programs.

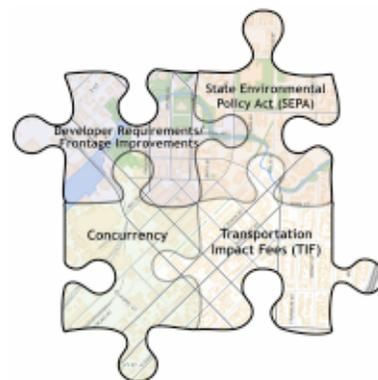
Most conventional LOS measures and policies focus almost exclusively on a singular, motor vehicle LOS, typically in some form of a volume-capacity (V/C) ratio. These singular LOS measures for long-range planning have favored preserving motor vehicle LOS (and targeting auto-related capacity improvements to mitigate impacts) sometimes at the expense of improved (albeit less measured) transit, bicycle, and pedestrian improvements. Furthermore, the vehicular LOS measures do not measure against local transportation policy objectives to enhance quality of life, preserve neighborhoods and minimize adverse environmental impacts; nor do they address the fundamental transportation measure of question – how best to move *people*, not just cars.

State law does not require that the LOS standards be based only on automobiles. In fact, in 2005 the state legislature passed 25HB1565 which directed Regional Transportation Planning Organizations (RTPOs) to develop strategies for multimodal level of service standards and concurrency programs. To date, the Thurston Regional Planning Council has not developed metrics for multimodal transportation concurrency.

## 3. Other Development Review Programs

Concurrency is a requirement of the GMA. It is one of four primary tools that agencies use in reviewing transportation system impacts and needs for new development applications. As shown here, the other three components include:

- State Environmental Policy Act (SEPA)
- Development Regulations/Frontage Improvements
- Transportation Impact Fees (TIF)



<sup>1</sup> Revised Code of Washington (RCW), Section 36.70A.070(6)(b)

<sup>2</sup> RCW 36.70A.070(6)(iii)(B)

## ***State Environmental Policy Act (SEPA)***

Washington's State Environmental Policy Act (SEPA), adopted in 1971<sup>3</sup>, directs state and local decision-makers to consider the environmental consequences of their actions. Implementing regulations, in the form of the SEPA Rules<sup>4</sup> establish uniform requirements for agencies to use in evaluating the potential environmental impacts of a proposal. The process also allows review of possible project alternatives or mitigation measures that will reduce the environmental impact of a project. SEPA is typically used to review impacts within the immediate and nearby vicinity, such as vehicular access points, frontage right-of-way improvements and nearby intersections or roadways. SEPA uses the "significant adverse environmental impact" standard as the threshold for triggering mitigation. The intention of SEPA, as applied to transportation, is to mitigate a development's significant adverse impact on the transportation system in terms of capacity and/or operations. The SEPA review also addresses safety, site access points, circulation needs, and impacts on neighborhoods, pedestrians, and transit facilities<sup>5</sup>.

The following summarizes key items of SEPA in the review of development projects:

- Uses "significant adverse impact" standard (not just level of service)
- Broad scope can be used to address capacity, safety, operations, non-motorized impacts and transit
- Reviewed on a development by development basis
- Can be based on level of service standards, which can be different than concurrency
- Can be used to mitigate both on and off-site impacts
- Mitigation can be in the form of constructing improvements or payment of proportionate share of improvement costs
- Pooling of funds is generally not allowed
- Does not require denial of developments if standards are not met

## ***Development Regulations/Frontage Improvements***

When properties are subdivided or when building permits are issued, the permitting agency can require transportation and other improvements needed to promote the public health, safety, and general welfare<sup>6</sup>. This includes safe and convenient travel by the public. Street frontage improvements and site development regulations help insure that the City street standards are met and that ultimately, new development is served by an adequate street system. Developers can be required to construct the site's street frontage and on-site circulation system based on the City's adopted Street Standards. Frontage improvements apply to both vehicular and non-motorized facilities. Key elements related to addressing development impacts to the transportation system include:

- Addresses on-site impacts (access onto public rights-of-way)
- Helps to insure that new development is served by adequate streets

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<sup>3</sup> RCW 43.21C

<sup>4</sup> Washington Administrative Code (WAC), Section 197-11

<sup>5</sup> *Washington State Department of Ecology, SEPA Handbook, 2003.*

<sup>6</sup> RCW 58.17

- Developer can be responsible for frontage improvements along public and private street systems
- Can be used to address the availability of vehicular, transit, and non-motorized facilities serving the site

## ***Transportation Impact Fees (TIF)***

Under the Washington State Growth Management Act (GMA), cities and counties are required to make appropriate provisions for transportation needs and impacts during the review of development proposals. The GMA grants local governments the authority to impose transportation impact fees (TIF) for the purpose of supporting the funding of public street and road improvements<sup>7</sup> to help ensure that the transportation system is available to serve new growth and development. Local government may assess transportation impact fees for new development projects in order to recover a portion of the public costs incurred by government to construct road and street improvements required to serve the new development. Transportation impact fees may be used to pay the proportionate share of the cost of public road and street improvements that benefit the new development; however, impact fees cannot be used to correct existing deficiencies in public transportation facilities. In Washington, impact fees are authorized only for those jurisdictions planning under the GMA.

Transportation impact fees are a tool to help mitigate development impacts for system-wide traffic impacts. The following summarizes the key points:

- Applies the principal of “growth paying for growth”
- Impact fees may be spent on street and roadway capacity projects that are needed to serve new growth, but may not be spent on street maintenance or to fix existing deficiencies.
- Addresses “system” impacts, not “project” impacts
- Must be generally proportional to impacts of development
- Provides funding for six-year capital transportation improvement program (CFP)
- Funds must be spent on improvements that generally benefit the developments paying the fee

### **Olympia’s Transportation Impact Fee**

The City of Olympia adopted a Transportation Impact Fee (TIF) by ordinance in 1995, and has updated it in 1998, 2002, 2006, and now most recently in 2008. Olympia’s TIF offers “credit” towards reducing the overall fee payment (up to but not exceeding a 20% fee reduction) by making one or several (a) operational or (b) physical improvements; many of which enhance non-motorized system improvements and transportation demand management techniques. The policy intent is to offer incentives for applicants to construct off-site non-motorized system improvements, or on- and off-site transportation demand management (TDM) enhancements, by reducing their TIF. These incentives are consistent with Olympia’s Comprehensive Plan goals and objectives. The table on the next page summarizes Olympia’s TIF credits.

Use of these credits is not achieving the original policy intent, as fee-payers are seeking and receiving credit for non-motorized and TDM improvement projects that are otherwise and essentially SEPA mitigation. The net result is lower TIF revenue and no off-site non-motorized system improvements or additional TDM enhancements above and beyond what should be required through SEPA mitigation.

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<sup>7</sup> RCW 82.02.090

ACTION	TRANSPORTATION IMPACT FEE REDUCTION
<b>Operational Improvements:</b>	
<ul style="list-style-type: none"> <li>• Installation of centralized Transportation Demand Management (TDM) information center with maintained information.</li> </ul>	1%
<ul style="list-style-type: none"> <li>• Commercial development which would be occupied by employees subject to Commute Trip Reduction ordinance or evidence to voluntarily comply with Commute Trip Reduction ordinance.</li> </ul>	3%
<ul style="list-style-type: none"> <li>• Installation of parking spaces which are <b>designated</b> as paid parking (by residents or employees).</li> </ul>	3%
<ul style="list-style-type: none"> <li>• Signage and enforcement designating parking lots to be used for carpool or vanpool parking for <b>non-building occupants</b>.</li> </ul>	1%
<b>Physical Improvements:</b>	
<ul style="list-style-type: none"> <li>• Construction of direct walkway connection to the nearest arterial.</li> </ul>	1%
<ul style="list-style-type: none"> <li>• Installation of on-site sheltered bus stop, or bus stop within 1/4 mile of site with adequate walkways as determined by Transportation Division staff.</li> </ul>	1%
<ul style="list-style-type: none"> <li>• Installation of bike lockers or employee showers.</li> </ul>	1%
<ul style="list-style-type: none"> <li>• Construction of on-site internal walk/bikeway network which connects to existing City bicycle/pedestrian networks.</li> </ul>	1%
<ul style="list-style-type: none"> <li>• Installation of preferential carpool/vanpool parking facilities.</li> </ul>	2%
<ul style="list-style-type: none"> <li>• Underbuild median parking requirements by at least 20% OR underbuild by at least 30% <b>OR underbuild by at least 40%.</b></li> </ul>	2% or 4% or 7%
<ul style="list-style-type: none"> <li>• <b>Downtown construction that provides no parking for employees or customers.</b></li> </ul>	10%
<b>Other:</b>	
<ul style="list-style-type: none"> <li>• Other operational or physical Transportation Demand Management measures identified by the developer (with supporting documentation).</li> </ul>	Up to 20% based upon peak hour trip reductions
<b>Maximum Reduction</b>	<b>Up to 20%</b>

## 4. Olympia’s Transportation Concurrency Management Program and Level of Service Standards

In compliance with the GMA, the City of Olympia adopted its **Transportation Concurrency Ordinance** (No. 5540) in 1995, and has annually reported its concurrency monitoring program. This program is how Olympia ascertains whether it can balance transportation infrastructure investments concurrent with growth. Olympia’s concurrency management system was developed utilizing TRPC’s regional traffic model to project the number of trips that is anticipated for (a) base-year (current), (b) base-year plus one (1-year growth) and (c) six-year forecast, each separately for four zones in Olympia. The six-year forecast data is used to evaluate street and intersection system deficiencies.



Olympia’s concurrency measure **focuses exclusively on motor vehicle performance** and contains two key features:

- Development is not allowed unless (or until) transportation improvements or strategies to provide for the impacts of the development are in place at the time of development or within six years of the time the project comes on line.
- Annual review of the concurrency management system is required along with the annual review and update of the *Capital Facilities Plan* (CFP) and transportation element of the Comp Plan.

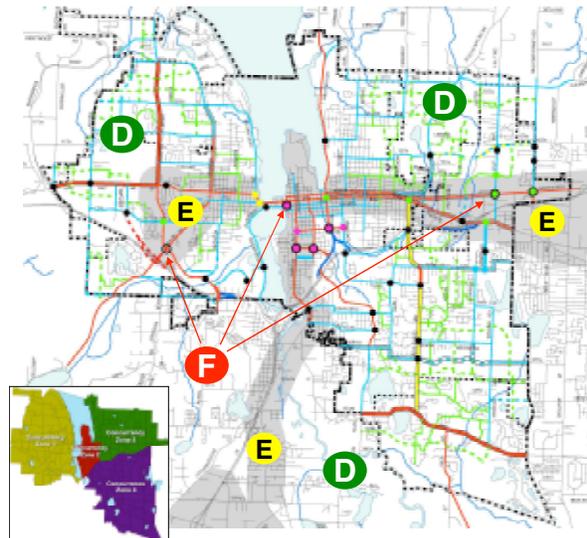
This framework consists of two stages. The first stage includes reporting actual average afternoon (PM) peak-hour traffic growth for the previous year and comparing this traffic growth with the forecast for the same year. This stage also reports average peak-hour growth for a six-year planning horizon. The next stage involves detailed LOS analysis of the intersections. This stage also involves identifying the transportation facilities that need concurrency projects (impact mitigation).

When a new development proposal is received, the City uses the average hourly vehicle traffic volume that would occur during the highest two-hour period to determine how the City’s LOS will be affected. This measurement is used as a screening tool at all intersections and road segments to determine if there are any deficiencies.

### Level of Service (Performance)

As part of the concurrency ordinance and Comprehensive Plan policies, Olympia’s Motor Vehicle LOS (street segment & intersection) is consistent with the Regional Transportation Plan as follows:

- Downtown and High Density Residential Corridors – LOS “E” will be acceptable for the two hour period.
- Remainder of City and Urban Growth Area – LOS “D” for the two hour period will be acceptable; for some intersections LOS “F”



- On I-5 and SR 101 within Urban Growth Management Boundary – LOS “D” mitigated will be acceptable – consistent with RTP– where funding sources and list of facilities and programs have been developed that support alternative to drive-alone

### Concurrency Measurement Tools

The TRPC Regional Traffic Model is used to estimate traffic volume as input into the roadway segment LOS. The Highway capacity manual-based HCM (Signal2000) program is used for the analysis of signalized and unsignalized intersection LOS. The LOS standards identified in the Comprehensive Plan and summarized above are used as measurement thresholds, and supplemental signal warrant analyses are used in the determination of new traffic signal needs assessment, as defined in the Manual of Uniform Traffic Control Devices (MUTCD).

## 5. Consideration of Revised Concurrency, Transportation Impact Fee and SEPA Policy to Include Critical Non-Motorized Transportation Projects

For several years Olympia has been considering its options to revise either its transportation impact fee or transportation concurrency program to include important non-motorized system improvements in the mix of other street and intersection solutions. The City’s objectives align with the GMA, with goals to create compact urban communities, reduce sprawl, encourage multimodal transportation, and ensure that transportation facilities are available to serve development.

The attached table lists several options Olympia should consider to enhance non-motorized system improvements through development mitigation either through the TIF, Concurrency or SEPA regulations. For each possible action defined, the advantages and disadvantages (including “relative” legal risk) and the general technical requirements needed to develop and adopt new policy are described.

### Options to Revise Olympia’s Transportation Concurrency Program

Only a few Washington cities have examined, developed and in one instance adopted revisions to their Concurrency programs to significantly integrate multi-modal solutions. Both Redmond and Bellingham have developed plan-based concurrency programs. These programs are highly technical and are described in significantly more detail in Transpo Group’s Memorandum “Multimodal LOS & Concurrency,” dated February 2, 2009. It is not the intent to re-define each program here in great detail, only to summarize each to help facilitate further understanding of the City’s option to possibly revise its concurrency program.

Redmond’s and Bellingham’s newly developed, plan-based concurrency programs are similar in that they are based on person trips rather than auto trips, with policy emphasis on consistency with larger comprehensive plan policies and GMA goals. Furthermore, each program:

- Estimates the number of person-trips (or by another definition – “mobility units”) that is available within the immediate six-year timeframe.
- Offers unique adjustments for transportation-efficient land use plan areas (e.g. density, mixed-use, transit-, bike- and pedestrian-friendly uses).
- Encourages land development in areas where transit and non-motorized systems are more complete and have available capacity.
- Provides incentive for additional person-trip capacity to developments that provide concurrency mitigation by direct funding or construction of priority pedestrian and bicycle facilities within specific concurrency service areas. These concurrency mitigation steps to directly fund non-motorized improvements are separate from the traffic impact fee program.

- Is structured to demonstrate that growth in travel demand and the level of transportation system plan completion are occurring at the same rate.
- Is consistent with the GMA, such that in the event a proposed development is not concurrent, it offers the applicant the alternative to either:
  - Wait until additional capacity (person-trips or mobility units) become available, or
  - Either pay for additional mobility units to offset the impacts of the development or agree to accelerate the implementation of key infrastructure projects (multi-modal) in order to provide sufficient transportation system capacity (as is the case for Redmond’s policy), or
  - Directly construct critical area sidewalk and bicycle system priorities (as is the case for Bellingham’s policy).

The key differences between the Redmond and Bellingham programs are the mechanics of quantifying person-trips and the method of determining person-trip capacity. Redmond’s draft program uses and adjusts the regional travel demand model to estimate area-wide and subarea person-trip capacity. The model process is theoretically strong but cumbersome and requires extensive staffing to calculate, update (as development applications are assessed) and maintain. Bellingham’s adopted concurrency program retains motor vehicle and transit LOS measures and thresholds, and relies on policy-based assumptions and adjustments to standardized estimates of person-trip capacity within differing land use zones, depending on the level of maturity of Bellingham’s bicycle and pedestrian system within zones.

Should it pursue the person-trip concurrency option, Olympia will need to conduct more detailed assessment of key concurrency program elements prior to policy adoption:

- Evaluate need for refinement to original designation and drawing of concurrency service area boundaries – determine whether current four service area boundaries are sufficient, or if further disaggregation is needed to best apply modal preference and mitigation requirements.
- Assess and refine (if needed) current vehicular LOS thresholds to determine appropriate capacity thresholds, considering prevailing land use plan objectives, per service area.
- Refine non-motorized plans to also include additional pedestrian crossing (arterial and collector street crossings) and neighborhood connector projects as potential concurrency mitigation measures, by service area
- Integration of street and non-motorized system connectivity indices coupled with “percent complete” measures as critical thresholds for non-motorized person-trip credits, by service area.
- Consideration of Transit plan recommendations for Primary Transit Network (additional transit system capacity).
- Consideration of transportation demand management (TDM) and transit system projects (and their costs) suitable for concurrency mitigation (see Transit Master Plan and Modal Report), by service area.
- Consideration of long-term (20-year), land development potential in the form of person-trip generation), with comparison to concurrency person-trip capacity and potential mitigation measures and their costs.

See **Attachment #1** summarizing a rough estimate and example of a multi-modal person-trip calculation for a hypothetical Concurrency Service Area in Olympia. The attachment illustrates several things:

- (1) Olympia’s current vehicular LOS policy is retained for street segment analyses, but is used to convert vehicle capacity to auto person-trip capacity,
- (2) new transit performance measures are applied to determine transit person-trip capacity,
- (3) bicycle and pedestrian planning measures, including new connectivity measures, are consistently used to identify plan needs and eligible concurrency mitigation projects,

- (4) additional person-trip capacity can be awarded to new development that is voluntarily willing to pay towards or construct priority non-motorized improvements, and
- (5) the new concurrency program will require extensive technical assessment to determine appropriate policy thresholds by which person-trip capacity estimates are formed, likely considering land use plan context and the City's various growth management goals and strategies.

### **Options to Revise Olympia's Transportation Impact Fee (TIF) Program**

Washington cities have been reluctant to either supplement or amend their TIF programs to include stand-alone (separate from other street capacity improvements), bicycle and pedestrian system improvements. Many experts have advised against these options for fear of legal challenge to the merits of a defensible nexus between the need for additional non-motorized system capacity improvements related to growth and the added capacity they provide.

Olympia could choose to supplement the TIF program by including both transit and non-motorized improvements. Three options are listed and defined on the attached table. There is a level of risk associated with each.

### **Options to Revise Olympia's SEPA Policy**

Washington's SEPA enables cities to develop and adopt Planned Actions. Planned Actions target specified public infrastructure mitigation (on-site and off-site projects) to address environmental impacts acknowledged in a formal environmental impact statement; generally recommended for more localized geography. Specific non-motorized improvements could be defined within a Planned Action area. Emphasis on non-motorized system public safety measures like Olympia's Pedestrian Crossing Program would likely fit well with a Planned Action.

Steps taken to define Planned Actions in Olympia would include:

- establishing 'significant adverse impact' standard (not necessarily LOS/QOS, or consistent with Concurrency standard),
- identifying candidate non-motorized projects,
- refining and updating priority planning-level costs,
- minor re-packaging of the Transportation Element so that Olympia clearly states the type of pedestrian and possible bicycle system improvements to be covered by SEPA / Planned Actions,
- readdressed the appropriate environmental documentation (not sure whether EIS or EA applies, yet) for the revised Transportation Element, so that it doesn't get caught in a legal bind with SEPA / GMA, and
- development and adoption of the Planned Action Ordinance.

### **Final Note**

Neither the City's TIF concurrency or SEPA policies and state regulations provide Olympia with a single and simplified measure to target important non-motorized system improvements through development mitigation. A combination of these measures is likely the better policy approach, which will require strategic refinement to each element of the City's transportation plan.