

## Section 5. Funding

This section details the future transportation funding to help prioritize City investments in the transportation system to meet identified needs over the next 20 years.

### Current Funding Sources

The City uses three funding sources for transportation infrastructure, as summarized below.

- **State Fuel Tax**

The state motor vehicle fuel tax revenues are distributed on a per capita basis to Cities and counties, and by statute may use the money for any road-related purpose, including walking, biking, bridge, street, signal, and safety improvements. The gas tax in Washington increased on August 1, 2015 by seven cents, to 44.5 cents per gallon, and will increase to 49.4 cents per gallon during the summer of 2016. Over the past five years, La Center averaged annually \$60,000 in State gas tax revenue. The city typically uses State gas tax revenue for system maintenance needs.

- **Miscellaneous Grants and General Fund Transfers**

The City has received approximately \$470,000 in other revenues annually (e.g., Grant money, general fund transfers, and monies from the Capital Projects Fund), based on the past five years of revenue history. This revenue could be available on a project-specific basis, but none will be assumed for funding the Transportation CFP.

- **Transportation Impact Fee (TIF)**

The City also collects TIF's from new developments, which provide a funding source for transportation system capacity projects. The funds collected can pay for constructing or improving portions of roadways impacted by new development and increased traffic demands. The TIF is a one-time fee.

### Traffic Impact Fees

The TIF structure for La Center is designed to determine the fair share of improvement costs that may be charged for new development. Traffic impact fees are therefore only paid by new developments or redevelopment which would add trips compared to its current use. For the purposes of La Center's traffic impact fee program, the bounds of the La Center UGA are also the bounds of the traffic impact fee service area.

In simple terms, the TIF rate is determined by dividing the cost of all necessary improvements required by growth by the number of new trips generated by that growth. The TIF eligible projects (shown in Table 8) are those that are triggered by future growth and expected to be completed within the next 20 years. The non-TIF eligible projects are projects needed in the long-term (7 to 20 years) that are not triggered by growth or those located in the unincorporated UGA.

It is forecasted that by the year 2036, there will be an increase of 2,052 p.m. peak hour trips over current traffic volumes (shown in Table 5). The detailed TIF rate calculation is shown below.

$$\text{TIF Eligible Project Cost (\$15,515,000) / New PM Peak Hour Trips (2,052)} \\ = \text{Cost per new Trip (\$7,561)}$$

To fully fund the recommended TIF eligible projects, the TIF rate would have to be \$7,561 per p.m. peak hour trip. Traffic impact fees are assessed for each new development/redevelopment by multiplying the number of new p.m. peak hour trips generated by the TIF rate. Table 9 lists a variety of land uses, but as an example, a single-family home (code 210) would pay an impact fee of \$7,561 (1.00 x \$7,561) based on the proposed TIF rate. The TIF rate will be adopted as a separate resolution after the adoption of the Capital Facility Plan.

TIF Exemptions: The City Council may grant an impact fee exemption to low-income housing, as defined in LCMC 3.35.150; provided, any exemption shall be paid into the impact fee fund established under LCMC 3.35.180 by the City out of its general funds. No other exemptions are allowed.

TIF reductions for pass-by trips: Pass-by-trips are those trips already on the system that access new developments as they pass-by (e.g. gas stations, fast food, etc.). Table 9 lists pass-by trips by land use. The advantages of pass-by traffic impact fee reductions are:

- Development does not pay for trips that are not generated solely by that development
- Pass-by traffic impact fee reductions are allowed by most jurisdictions
- Institute of Transportation Engineers' *Trip Generation Manual*<sup>7</sup> provides specific guidance on pass-by trips by land use

TIF Summary: A summary of the TIF provisions is provided below.

- The TIF rate needed to fully fund TIF eligible projects is \$7,561 per p.m. peak hour trip
- TIF credits can be used city-wide
- TIFs are calculated based on the TIF share of project costs, thus, credits will be issued based on TIF share of project cost up to proportionate TIF cost in the CFP
- Previously issued TIF credits will be honored
- The City Council may grant TIF exemptions to low-income housing
- TIF exemptions are allowed for pass-by trips

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<sup>7</sup> ITE Trip Generation Manual, ninth edition

**Table 9 - Trip Generation Schedule**

ITE Code	Land Use	Unit of Measure	PM Peak No.	Pass-By Trip*
110	General light industrial	1000 sq. ft. GFA	0.83 (X)	NA
151	Mini-warehousing	1000 sq. ft. GFA	0.20 (X)	NA
210	Single family housing	dwelling units	1.00 (X)	NA
221	Low-rise apartment - 1 or 2 levels	dwelling units	0.41(X)	NA
222	High-rise apartment - 3 or more levels	dwelling units	0.39 (X)	NA
240	Mobile home park	dwelling units	0.49 (X)	NA
253	Congregate care facility	dwelling units	0.20 (X)	NA
270	Residential Planned Unit Development	dwelling units	0.72 (X)	NA
310	Hotel	rooms	0.61 (X)	NA
320	Motel	rooms	0.44 (X)	NA
444	Movie Theater	screens	37.83 (X)	NA
492	Health/Fitness Club	1000 sq. ft. GFA	3.92 (X)	NA
520	Elementary school	students	0.34 (X)	NA
530	High school	students	0.33 (X)	NA
560	Church	1000 sq. ft. GFA	0.80 (X)	NA
565	Day care center	1000 sq. ft. GFA	11.82 (X)	NA
610	Hospital	1000 sq. ft. GFA	0.97 (X)	NA
620	Nursing home	beds	0.37 (X)	NA
630	Clinic	1000 sq. ft. GFA	4.64 (X)	NA
710	General office building	1000 sq. ft. GFA	1.42 (X)	NA
720	Medical-dental office building	1000 sq. ft. GFA	4.10 (X)	NA
750	Office park	1000 sq. ft. GFA	1.33 (X)	NA
770	Business park	1000 sq. ft. GFA	1.26 (X)	NA
812	Building material/lumber store	1000 sq. ft. GFA	2.77 (X)	NA
814	Specialty retail center	1000 sq. ft. GFA	7.42 (X)	NA
820	Shopping center	1000 sq. ft. GFA	4.21 (X)	34
850	Supermarket	1000 sq. ft. GFA	7.60 (X)	36
851	Convenience market	1000 sq. ft. GFA	53.51 (X)	51
911	Walk-in bank	1000 sq. ft. GFA	12.13 (X)	NA
912	Drive-in bank	1000 sq. ft. GFA	26.40 (X)	35
931	Quality restaurant	1000 sq. ft. GFA	8.28 (X)	44
932	High turnover restaurant	1000 sq. ft. GFA	17.41 (X)	43
933	Fast food restaurant–without drive thru	1000 sq. ft. GFA	48.70 (X)	NA
934	Fast food restaurant–with drive thru	1000 sq. ft. GFA	51.36 (X)	50
944	Service station	Fueling positions	14.41 (X)	42
947	Car wash	Wash stalls	8.00 (X)	NA

Source: ITE Trip Generation Manual, 10th edition, PM peak hour of generator rate

\* PM Peak Hour Pass-by Percentage. Pass-by rates are available for other land uses, please review current ITE manual.

GFA = Gross Floor Area