

Could changes be coming to Kent's traffic impact fees? Council members talk to business community

By [LAURA PIERCE](#)
Kent Reporter Editor
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Traffic lines up past the railroad tracks on Willis Street heading to State Route 167 during an afternoon commute earlier this year. CHARLES CORTES, Kent Reporter
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It may not feel like a battle won, but for the Kent business community, a meeting Monday at Kent City Hall may have felt at least like a hurdle cleared.

The meeting, attended by city staff, local business people and the City Council's Economic & Community Development Committee, yielded a couple of results that could generate a future Council decision on a sticky topic: the city's traffic-impact fees.

The fees, set in place by the Council this past July, have generated plenty of buzz in the past six months - from the business community that opposes tacking another fee on new and expanding development; and from proponents of city transportation projects, who argue that such developments must pay for the additional traffic they generate.

The city charges traffic-impact fees, or TIFs, up front to new developments (retail and residential) as well as when pre-existing structures see a major change in use. The rate of the TIF depends on the kind of development being proposed: single-family residences pay a different rate than a hotel, as would a warehouse, or a movie theater. The key is how much more traffic each would put on Kent's roads.

Kent's TIFs are similar in many ways to those charged by surrounding cities (although there are different rates, depending on the city.)

"We all work off similar ordinances, but each community works with its own values," Economic Development Director Ben Wolters told the audience of about 30 or so at Monday's meeting. Among those present were Economic & Community Development Committee members Jamie Perry, Deborah Ranniger and Elizabeth Albertson.

But in Kent's case, there is one thing that has especially raised the ire of the local business community: Kent's TIFs are scheduled to automatically increase each year, through 2016. If those other cities keep their current rates, within the next several years, Kent's TIFs will be among the highest in the region.

While there was no action taken Monday, city staff did offer up some changes to the ordinance that the Council may consider in the near future. One of those is a big one: to suspend the automatic increases, instead allowing the Council to review the TIF rate each year during its budget process.

Other changes proposed by city staff to the TIF ordinance include:

- Clarifying the language of the ordinance about what "change of use" means, so that it is more clear to the developer and city staff about what kinds of changes actually merit being charged a TIF.
- Embarking on educational meetings with the local business and development community, so the TIF laws are less apt to be misunderstood.
- For vacant buildings, extending credit for TIFs that a previous facility owner has paid to five years. Right now, the fees kick in after a building has been vacant for three years and has found a new user.

Wolters, in his overview of the ordinance, noted the impact fees are just a smaller part of a very complex picture, and not the reason most developers are tempted to walk.

"It's not the only factor they look at," Wolters said.

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However, he challenged those developers who have made up their minds about the laws to actually sit down with the city and review their plans.

"I ask them to bring their projects forward to be evaluated, to see if it is as they feared," he said.

Realtor Sam Pace, a housing specialist with the Seattle-King County Association of Realtors, later challenged Wolters in his assertion about that.

Kent doesn't get the luxury of a second chance, he noted, when it comes to competing with other municipalities for development.

"If you're having to explain, you're losing," he said. "They're not going to give Ben the sit down that he wants."

Pace also took the city to task for not refunding fees when a business generating less traffic moves in.

He also told the committee that Kent seriously needed to trim back its expectations for the road projects it wants to complete with help from the impact fees.

Those projects include several rail overpasses and capacity improvements (for which the city has partial funding from the state.)

"The city should prioritize its list of (transportation) projects in terms of economic reality," Pace said.

Andrea Keikkala, executive director of the Kent Chamber of Commerce (which has opposed the fees) expressed support for making the verbage more clear about "change of use," and said she applauded the proposal to extend the "vacancy window" to 5 years instead of 3 (although she asked if it could be extended another 3 years.)

But she cautioned about amending the ordinance for specific businesses, such as what day-care businesses should be charged, calling it a "slippery slope, with the varieties of businesses coming into Kent."

"How do we exempt one, and promote the other?" she asked.

Keikkala also called Kent's outlined transportation projects, including the big-ticket items like railroad overpasses "unrealistically ambitious" given the current economic climate.

Maple Valley businessman Tom Sharp said the city needed to put its traffic-impact fee ordinance on the back burner for now.

"What we really need is to stand back 90 days and get the business community and staff to work together" on the issue, he said, explaining the city should develop a seven-member committee of both interests to review the issue and present a solution at the end of three months.

"It's Kent's reputation," Sharp added. "We've been working like bush-league people and Kent needs to fix this."

Council President Perry at the start of the meeting outlined what she hoped would be the most realistic goal for the evening, if not the future: a fair exchange of views and some kind of consensus.

"Some of you may not want them at all," she said of the fees and what people might be planning to say that night. "I'm really looking for suggestions and solutions to make this work for everyone."

Kent Reporter Editor Laura Pierce can be reached at lpierce@kentreporter.com or 253-872-6600 ext. 5050.

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