

Traffic Impact Fees (TIF's) 101

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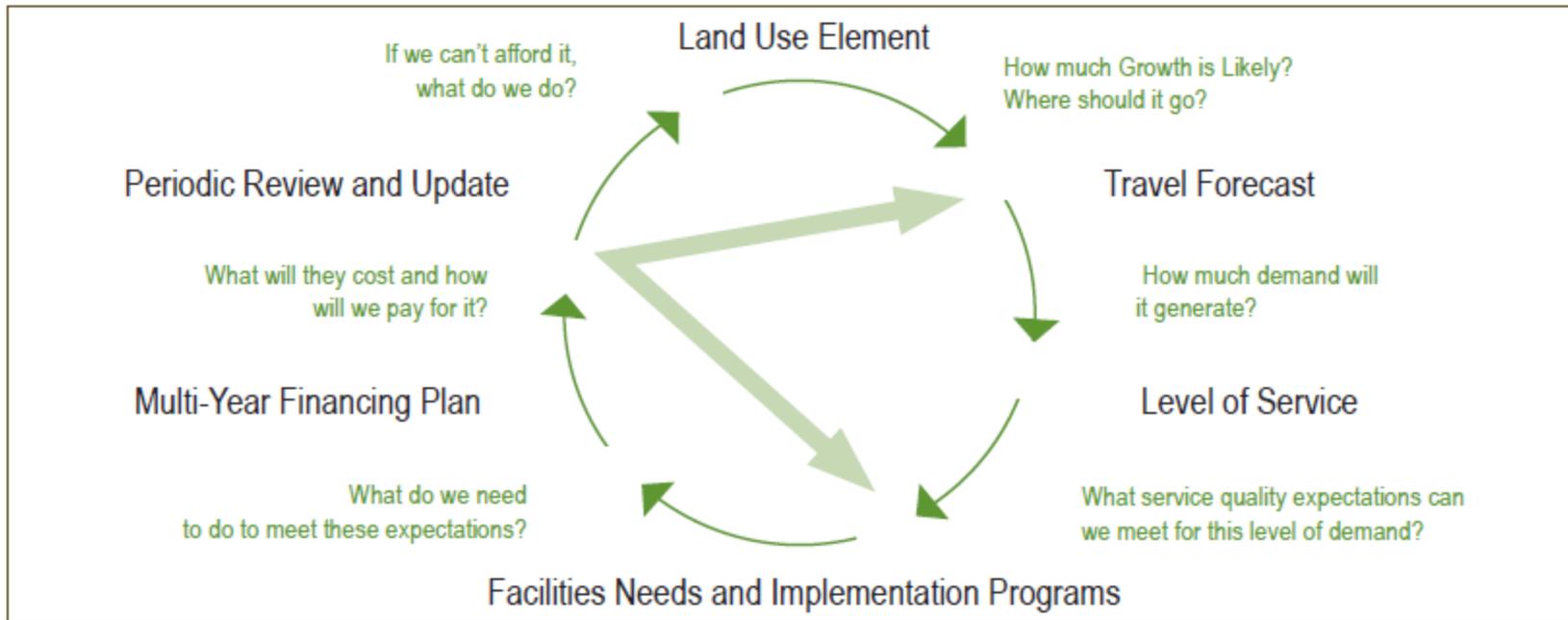
David Evans and Associates

Presented to City Council on September 18, 2013

WHERE DID TIF'S COME FROM?

The GMA Planning Cycle

Figure 3.2 – The planning cycle



**WHAT ARE OTHER CITIES
CHARGING?**

Range of 2013 TIF's in Washington

Rate per PM Peak Trip (SFU)

Low \$ 515 Kitsap County
 Median \$2,466
 Average \$2,880
 High* \$8,462 Redmond

Nearby Communities

Poulsbo \$2,835**
 Gig Harbor \$2,202
 Pierce County \$1,742
 Kitsap County \$ 515
 Port Orchard SEPA
 Bremerton SEPA

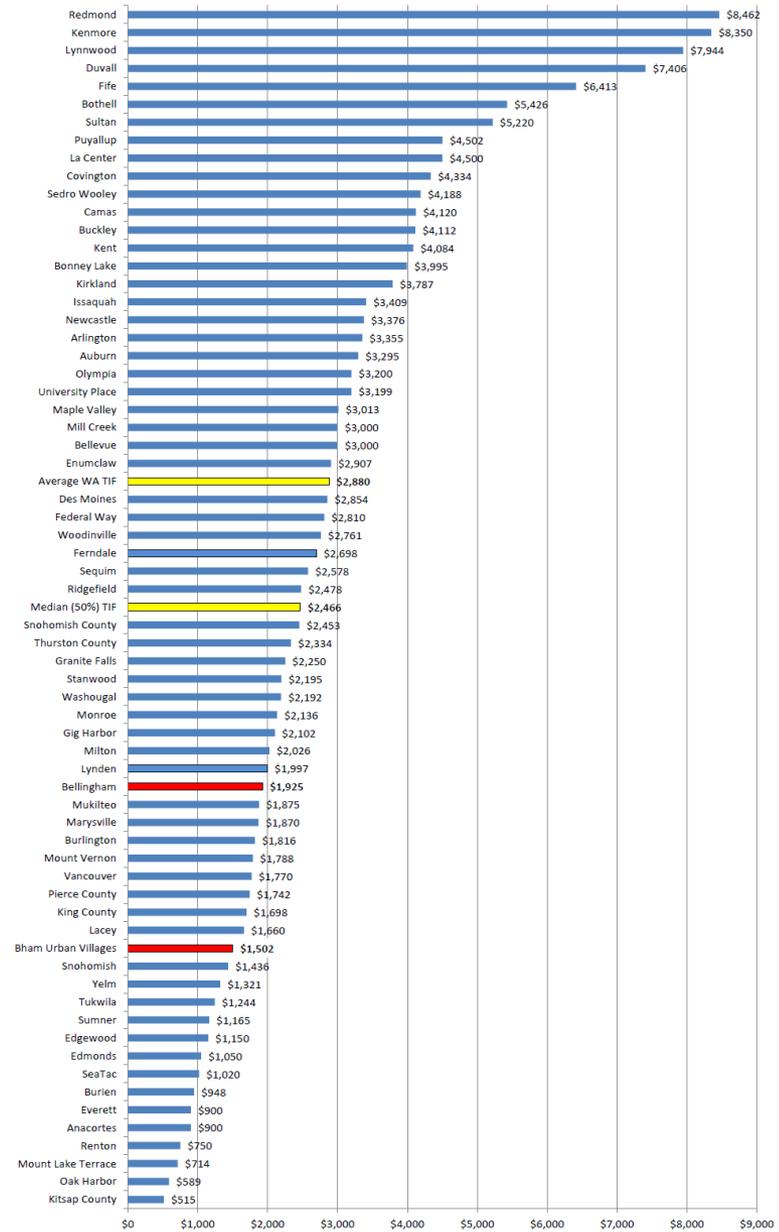
*Sammamish, WA at \$14,707 is excluded from this data

** \$283.50 per Daily Trip X 10

A Comparison of 2013 TIF Base Rates in 60* Cities and 5 Counties in Western Washington With Whatcom County Cities and Bellingham's Urban Village TIF Reduction Highlighted for Emphasis

(*City of Sammamish, WA \$14,707 TIF base rate excluded from graphic)

(Data compiled December 2012 by Chris Comeau, AICP, Transportation Planner, Bellingham Public Works)



Implications of using other agencies' rates as a benchmark

- Make sure that basing the City's fee on an external benchmark will still meet City revenue needs

WHAT CAN TIF'S PAY FOR?

TIF's can be Used to

- Reimburse costs for previously constructed projects that serve growth
- Pay for future projects that serve growth

TIF's Cannot be Used to

- Pay for correction of existing deficiencies

TIF's Pay For "Roads and Streets"

Easy to Include

- Right of Way
- Engineering
- Travel Lanes
- Traffic Signals
- Roundabouts
- Bridges
- Drainage
- Utility Relocations

More Challenging

- Turn Lanes
- Bike Lanes
- Sidewalks
- Illumination
- Utility Undergrounding
- Street Trees
- Irrigation Systems

TIF METHODOLOGY

Single Service Area or Multiple Zones?

Identify areas of the City that may have unique development and/or trip generation attributes that could benefit from a multiple-zone structure. If this is not the case a single-zone TIF can be utilized.

The City of Lynnwood adopted a two zone impact fee system for that recognized the differences between the commercial area of the City and the remaining built-out residential areas.

Adjustments for various land uses

- Fees can be adjusted (reduced) for pass-by trips, diverted trips, trip length, and mixed-use developments

Exemptions from TIFs?

- Land use that does not generate new traffic, or is in the public's interest, can be exempted from impact fees
 - But, the revenue must be replaced by other public sources

What kind of payment options are allowed?

- TIFs in Washington are currently being paid at the subdivision, building permit, certificate of occupancy or, in some cases, at closing.

Are TIF credits be allowed?

- Credits for previous site development
 - TIF applies to net new trips from a site
- GMA requires credits for
 - other payments
 - dedication of right-of-way
 - construction of improvements

Basic Impact Fee Calculation

Cost of Projects Needed to Support Growth
Divided by
Trips Generated by Growth
Equals
Traffic Impact Fee

Example 1

\$10,000,000 in Projects

Divided by

5,000 new trips

Equals

\$2,000 per Trip TIF

Example 2

(Reduce LOS and Project Costs)

\$7,000,000 in Projects

Divided by

5,000 new trips

Equals

\$1,400 per Trip TIF

Example 3

(Reduce Land Use to Maintain LOS)

\$10,000,000 in Projects

Divided by

3,200 new trips

Equals

\$3,125 per Trip

Example 4

(Increase Land Use and Maintain LOS)

\$10,000,000 in Projects

Divided by

8,000 new trips

Equals

\$1,250 per Trip

WRITING THE ORDINANCE

City must meet legal requirements for the TIF ordinance

- Early involvement of the City's attorney, or consider outside counsel that is familiar with impact fees

ADOPTION

Public Involvement

- Hold public presentations to discuss project concerns, developments, etc.
- Respond quickly and accurately to the public