

Transportation Impact Fees (TIF) Frequently Asked Questions

Answers to commonly asked questions about TIF charges and who to contact for further information.

1. What are Transportation Impact Fees?

Transportation Impact Fees (TIF's) ensure that new development and redevelopment pays a proportional fair share contribution for the cost of new transportation infrastructure that is deemed necessary and reasonably related to accommodating the impact of new development within the City of Vancouver. State law (RCW 82.02.050 - .090) allows cities to impose Transportation Impact Fees (TIF) on new development to help effectively manage the growth of our community. Pursuant to VMC 20.915, the City of Vancouver has collected TIF's for new development and redevelopment since 1996.

More information about TIF's is available at:

www.cityofvancouver.us/government/departments/public-works/traffic-impact-fees/

2. How much do Transportation Impact Fees Cost?

Transportation Impact Fees are imposed based on the number of new Average Daily Trips (ADT) associated with the development proposal. The ADT for a development is calculated based on the trip generation information contained in the current edition of the *Institute of Transportation Engineers (ITE) Trip Generation Manual*. As of January 1, 2024, fee rates for each of the TIF Districts are as follows:

- Columbia: \$240/Trip
- Cascade: \$329/Trip
- Pacific: \$428/Trip

Pursuant to VMC 20.915.040(A)(4), the TIF Program includes a 15% Tax Adjustment Factor that is applied to all TIF calculations. In addition, a 30% Business Enhancement Factor (BEF) is applied to a select group of retail business developments and is further described in the [TIF Program Technical Document](#).

As an example, a new single family detached residential house located in the Cascade TIF district generates 10 average daily trips and would be charged a TIF equal to:

10 ADT X \$329/Trip X 0.85 = \$2,797.

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3. Is there any way to reduce the Transportation Impact Fee?

There are a couple of ways to reduce a TIF. First and foremost is a reduction in the number of new daily trips generated by the development. This can be accomplished in a few ways:

- **Reducing the size of the development** – In most cases, the size of the development is directly proportional to the number of trips generated by the development. Reduce the size and you'll reduce the number of trips and the associated TIF.
- **Credits for pre-existing site uses** – In many instances, development occurs on property that was once occupied by a former use. Example: A single family residence may be removed to make room for a new office building. The City of Vancouver recognizes the trips associated with prior uses and allows those trips to be credited against the new trips generated by the proposed development.
- **Developments located within a Transit Overlay District** – Many areas within the City (especially downtown) include a Transit Overlay District. Long range planning recognizes that transit in densely urbanized areas will often offset the use of passenger vehicles. Developments located within a Transit Overlay District may be eligible for up to 30% reductions in their trip generation.

Another way to reduce the TIF is through the use of TIF credits in lieu of cash. TIF credits are accounting credits provided by the City in return for the improvement and/or new construction of transportation infrastructure on projects currently listed in the [TIF Program Technical Document](#), which are also required as a condition of approval for an adjacent development proposal. Pursuant to VMC 20.915.090(3), the maximum TIF credit that can be earned shall be equal to the amount of TIF that is required for the development proposal for which the improvements have been required.

4. Do Transportation Impact Fees Change?

TIF rates will often change when the TIF program is updated and/or revised. TIF rates are based in part on the estimated cost for improving the transportation infrastructure. During an update to the TIF program, these cost estimates will be reviewed and updated as needed to reflect current construction costs. This will typically lead to a change in the TIF rate.

5. What are Transportation Impact Fees Used For?

Transportation Impact Fees (TIFs) may only be used for building new arterial streets, sidewalks, bicycle lanes, and other physical improvements to the City's on-street multi-modal transportation network. New development and redevelopment means more people making capacity demands on the transportation system and the Washington State Supreme Court has ruled that collected TIF money may be used for publicly-funded city-wide transportation projects on municipal 6-Year Transportation Improvement Programs (TIPs) that are reasonably related to the impacts of development and urban growth (*City of Olympia v Drebeck*). Vancouver's TIF's are collected and allocated to transportation projects that add multi-modal capacity to the overall transportation network. TIF's cannot be used for street maintenance,

transportation administration, traffic calming programs, or transportation demand-management programs, such as car-pooling, incentives for non-auto commuting, or additional transit bus service hours.

TIF's are also used as part of local match fund requirements to leverage State and federal grant funding for major multimodal transportation improvement projects. Adding TIF funds to local street funds creates a public-private partnership, which is increasingly important to grant funding agencies. This allows Vancouver's transportation projects to score more points and to be more competitive in the grant-funding arena. Vancouver's success in securing State and federal grant funding has allowed the City to keep TIF rates relatively low compared to other cities in the State.

6. Why Doesn't the City Charge Developers 100% of the Cost of New Transportation Facilities?

State law does not allow cities to charge 100% impact fees and developers do pay significant regulatory fees when making application for projects in the City of Vancouver. Development projects are typically required to provide trip generation information (VMC 11.70) and may be required to complete a full traffic impact analysis to ascertain the impacts of the development on the City's transportation infrastructure. Conditions of development normally require construction of new streets or enhancement of existing streets to City street standards (VMC 11.80). If the application is approved, then the developer must apply for building permits. If building permits are approved, Traffic Impact Fees, and all other impact fees and associated development fees, must be paid for in-full before the City will issue the building permit to the developer.

These requirements can result in street improvements, new traffic signals, sidewalks, bicycle lanes, curbs, gutters, storm water detention facilities, and other transportation improvements as a way of ensuring that the traffic will not exceed adopted LOS standards in the Comprehensive Plan. Some people think that developers should bear the maximum amount of the cost of City infrastructure needed to serve our growing community. However, we must remember that each one of us has added to the growth of our community and that each one of us contributes to traffic congestion every time we choose to drive, sometimes on new streets that were paid for and constructed by developers. There is a public share of the costs for new transportation facilities and everyone will use and benefit from them, not just the new residents of the development project.

More information about TIF's is available on the City of Vancouver web site at:

www.cityofvancouver.us/government/departments/public-works/traffic-impact-fees

If you have questions, please contact:

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To request other formats, please contact:

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