



A GUIDE TO TRAFFIC IMPACT FEES FOR COMMERCIAL APPLICATIONS

This bulletin is designed to assist you in understanding the Traffic Impact Fees.

Pierce County Council adopted Traffic Impact Fees under Ordinance 2018-71s that go into effect February 1, 2019. Traffic Impact Fees were initially adopted under Ordinance 2006-60s and later updated by Ordinance 2012-63.

What are Traffic Impact Fees?

Impact fees are charges on new development to pay for capital improvements that are needed to serve new development. Traffic impact fees are collected to improve the transportation system to accommodate the higher travel demand added by the new development.

The Revised Code of Washington (RCW 82.02.050) defines traffic impact fee programs as intended to: ensure that adequate facilities are available to serve new growth; establish standards by which new growth and development pay a proportionate share of the cost of new facilities needed to serve new growth and development; and ensure that impact fees are imposed through established procedures and criteria so that specific developments do not pay arbitrary fees or duplicative fees for the same impact.

When are Traffic Impact Fees Due?

Traffic impact fees for residential uses (all types of construction intended for human habitation) shall be paid to the County either at the time of recording of the final plat or at the time a complete building permit application is submitted to the County. Traffic impact fees for non-residential uses shall be paid to the County prior to building permit issuance.

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Exemptions

The following development activities are excluded from the obligation to pay traffic impact fees:

- Alteration or expansion of an existing structure that does not add any residential dwelling units or expand the gross floor area of nonresidential structures by more than 100 square feet
- Miscellaneous improvements, including, but not limited to, fences, walls, signs, and residential swimming pools
- Demolition or removal of a structure within the County
- Replacement of a non-residential structure with a new non-residential structure of the same size and use at the same site or lot when a completed application for the building permit for such replacement is accepted by the County within 12 months of the demolition or destruction of the prior nonresidential structure. A replacement nonresidential structure shall be considered to be the same size as the prior nonresidential structure if the gross floor area of the building will not be increased by more than 100 square feet
- Replacement of a residential structure with a new residential structure of the same number of dwelling units at the same site or lot when a completed application for the building permit for such replacement is accepted by the County within 12 months of the demolition or destruction of the prior residential structure
- Any development activity that is exempt from the payment of an impact fee pursuant to RCW 82.02.100 due to mitigation of the same system improvement under the State Environmental Policy Act
- Any development activity for which traffic impacts have been mitigated by the payment of or promise or obligation to pay fees, dedicate land, and/or construct or improve road facilities pursuant to a voluntary written agreement, entered into with the County prior to January 1, 2007, that specifically provides for an exemption or waiver of payment of traffic impact fees.
- Low-income owner-occupied housing, provided the owner executes and records a covenant on the property providing that the dwelling unit will continue to be used for low-income housing.
- Low-income rental housing, provided the owner of low-income housing executes and records a lien against the property providing that the dwelling unit will continue to be used for low-income housing.
- Public, private, and parochial school facilities, including, but not limited to, administrative, maintenance and other buildings of a school district.
- Religious assemblies (such as churches, temples, and synagogues).
- Developments with the following ITE Land Use Codes:
 - (1) Industrial, ITE Land Use Code 110; or
 - (2) Industrial, ITE Land Use Code 120; or
 - (3) Manufacturing, ITE Land Use Code 140; or
 - (4) Corporate Headquarters Building, ITE Land Use Code 714; or
 - (5) Research and Development Center, ITE Land Use Code 760.
- Park-and-ride facilities and bus transfer stations
- Police and fire stations

How do I calculate the amount of my Traffic Impact Fee?

Traffic Impact Fees will be determined by the County at the time the impact fee is paid based on the fee schedule in effect at the time of payment.

A spreadsheet to assist in calculations is available for download at www.piercecountywa.org/tif. This spreadsheet is for use for estimating purposes only. Final fee calculations will be completed by the County.

An estimate of your amount due can be self-calculated using the following steps for many projects:

1. Determine which Transportation Service Area (“TSA”) your project is located within using the map on page 5
2. Determine the applicable Land Use Code (“LUC”) for your project from the Fee Rate Schedule on page 6
3. Calculate the ‘Units of Measure’ for your project (i.e. square footage, number of dwelling units, etc.)
4. Verify whether your project is eligible for any exemptions from the traffic impact fees using the list on page 2
5. Multiply the ‘Units of Measure’ by the rate for your TSA & LUC as determined from the Fee Rate Schedule. This is your Traffic Impact Fee.
6. Calculate any applicable credits not to exceed your Traffic Impact Fee.
7. Calculate the total Traffic Impact Fee Payment amount by deducting applicable credits from the Traffic Impact Fee.

Sample Calculations effective until August 1, 2019

Example #1: A 6,000 square foot retail store to be constructed in TSA B

$$6,000 \text{ SF GFA} \times \$4.77/\text{SF GFA} = \$28,620 \quad \text{Total Traffic Impact Fee Payment}$$

Example #2: A 3,000 square foot restaurant to be constructed within TSA C

$$3,000 \text{ SF GFA} \times \$5.45/\text{SF GFA} = \$16,350 \quad \text{Total Traffic Impact Fee Payment}$$

Example #3: A 20,000 square supermarket with four gasoline sales pumps to be constructed within TSA A

$$\begin{array}{r} 20,000 \text{ SF GFA} \times \$5.42/\text{SF GFA} = \$108,400.00 \quad \text{Traffic Impact Fee Retail} \\ 4 \times \$12,004.17 = \underline{\$48,016.68} \quad \text{Traffic Impact Fee Gasoline} \\ \$156,416.68 \quad \text{Total Traffic Impact Fee Payment} \end{array}$$

Example #4: A 10,000 square foot supermarket to be constructed within TSA D. The applicant has previously paid \$15,000 in developer mitigation payments.

$$\begin{array}{r} 10,000 \text{ SF GFA} \times \$2.12/\text{SF GFA} = \$21,200 \quad \text{Traffic Impact Fee} \\ \underline{-\$15,000} \quad \text{Less Credit for DMP} \\ \$6,200 \quad \text{Total Traffic Impact Fee Payment} \end{array}$$

Sample Calculations effective August 1, 2019

Example #1: A 6,000 square foot retail store to be constructed in TSA B

$$6,000 \text{ SF GFA} \times \$5.42/\text{SF GFA} = \$35,520 \quad \textit{Total Traffic Impact Fee Payment}$$

Example #2: A 3,000 square foot restaurant to be constructed within TSA C

$$3,000 \text{ SF GFA} \times \$8.93/\text{SF GFA} = \$26,790 \quad \textit{Total Traffic Impact Fee Payment}$$

Example #3: A 20,000 square supermarket with four gasoline sales pumps to be constructed within TSA A

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Adjustments, Independent Calculations

An applicant may request an adjustment to the traffic impact fees determined according to the fee schedule by preparing and submitting to the County Engineer an independent calculation for the development activity for which a building permit is sought. The documentation submitted shall show the basis upon which the independent fee calculation was made. Independent fee calculations for traffic impact fees shall use the same formulas and methodology used to establish the impact fees and shall be limited to adjustments in trip generation rates used in the Rate Study, and shall not include travel demand forecasts, trip distribution, transportation service areas, costs of road projects, or cost allocation procedures.

Credits

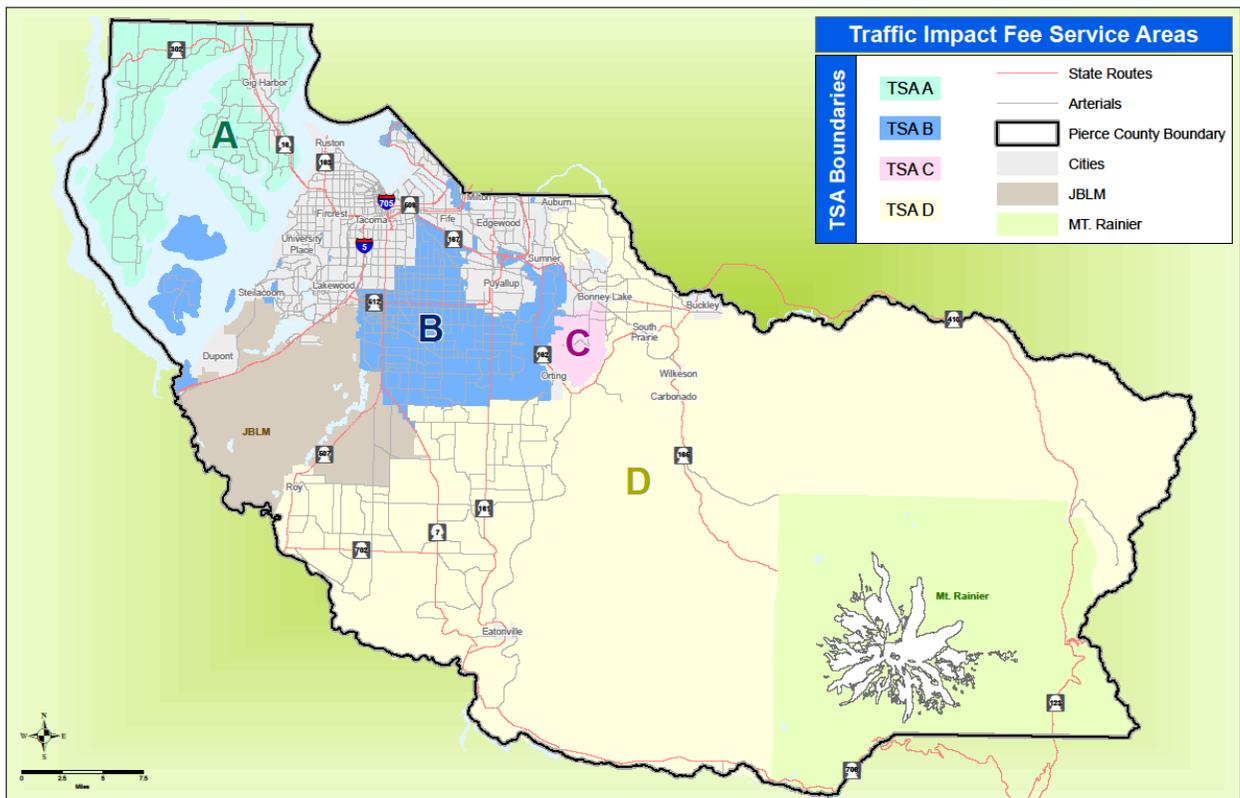
An applicant shall be entitled to a credit against the applicable impact fee for the value of any dedication of land for, improvement to, or new construction of any of the Traffic Impact Fee roadway or intersection construction projects as identified in the adopting ordinance, provided by the applicant, to facilities that are:

- (1) Included within the County's capital facilities plan and identified as Traffic Impact Fee roadway and/or intersection projects within the adopting ordinance that are to be funded in part by impact fees; and
- (2) At suitable sites and constructed at acceptable quality as determined by the County; and
- (3) Are completed, dedicated, or otherwise transferred to the County prior to the determination and award of a credit.

The value of a credit will be established by original receipts provided by the applicant for system improvements for which the impact fee is being charged. The value of a credit for land, including right of way and easements, shall be established on a case-by-case basis by an appraiser, selected by, or acceptable to the County. The appraiser must be

licensed in good standing by the State of Washington for the category of the property appraised. The appraisal shall be in accord with the most recent version of the Uniform Standards of Professional Appraisal Practice and shall be subject to review and acceptance by the Department. The appraisal and review shall be at the expense of the applicant.

If the amount of the credit is less than the calculated fee amount, the difference remaining shall be chargeable as an impact fee and paid at the time of application for the building permit. In the event the amount of the credit is calculated to be greater than the amount of the impact fee due, the applicant shall forfeit such excess credit.



Traffic Impact Fee Schedule						
			Impact Fee Rate in dollars per Land Use Unit by TSA (cost per trip)			
LAND USE	ITE Land Use Code (LUC) ¹	UNIT OF MEASURE	TSA A (\$483.87)	TSA B (\$483.87) ³	TSA C (\$796.47) ⁴	TSA D (\$189.03)
Residential						
Single-Family Detached Housing and Attached Housing up to 2-Units (Duplex)	210	Dwelling Units	4439	4439	7243	1795
Accessory Dwelling Unit (ADU)	210	Dwelling Units	2270	2270	3671	948
Multi Family (incl. triplex, condos)	220, 221, 222, 225	Dwelling Units	3033	3033	4927	1246
Mid-Rise and High-Rise Residential with 1st Floor Commercial 3 or more levels (floors)	231, 232	Dwelling Units	2857	2857	4638	1177
Mobile Home Park	240	Dwelling Units	2398	2398	3883	998
Senior Adult Housing Detached	251	Dwelling Units	2063	2063	3331	867
Senior Adult Housing Attached	252	Dwelling Units	1801	1801	2900	764
Assisted Living	252, 254, 255	Dwelling Units / Beds	1176	1176	1871	520
Centers and Corridors Proposal- Multi Family (incl. triplex, condos)	220, 221, 222, 225, 231, 232	Dwelling Units	2036	2036	3286	856
Commercial						
General -- Retail, Restaurant & Services	All LUC's in 400, 800 and 900 series except LUC 944	SF GFA/GLA	5.42	5.42	8.93	2.12
Gasoline Sales ²	944	Pumps	12004.17	12004.17	19759.35	4689.58
Commercial - Institutional						
Institutional	All LUC's in 500 and 600 series unless specifically listed	SF GFA	2.95	2.95	4.85	1.15
Public Elementary / Jr. High School	520,522	SF GFA	3.10	3.10	5.11	1.21
Public High School	530	SF GFA	2.48	2.48	4.07	0.97
Private Kindergarten through 8th Grade	534	SF GFA	5.67	5.67	9.34	2.22
Private Kindergarten through 12th Grade	536	SF GFA	5.46	5.46	8.98	2.13
Industrial						
Warehousing/Storage	All LUC's in 100 series unless specifically listed	SF GFA	2.29	2.29	3.77	0.90
Industrial/Manufacturing	110, 130, 140	SF GFA	2.13	2.13	3.50	0.83
Mini Warehouse	151	SF GFA	0.75	0.75	1.23	0.29
Commercial - Office						
Office Land Uses	All LUC's in 700 series unless specifically listed	SF GFA	5.27	5.27	8.67	2.06
Corporate Headquarters	714	SF GFA	4.30	4.30	7.08	1.68
Research and Development Center	760	SF GFA	6.09	6.09	10.03	2.38
Medical Office/Clinic	720	SF GFA	13.04	13.04	21.46	5.09

Administration Fees of \$100 per Residential Unit and 1% for Commercial uses are included in the above listed rates.

TSA= Transportation Service Area

GFA = Gross Floor Area

GLA = Gross Leasable Area

** For uses listed in square feet, the trip rate is given in thousands of square feet; the cost per unit is converted to square feet.

1) Land Use Code - Reference TRIP GENERATION, 10th Edition, Institute of Transportation Engineers

2) Gasoline Sales Rate per Pump applies in addition to Commercial General Rate per SF (note: each pump to service a max of two vehicles at a time).

3) Effective until August 1, 2019, the impact fee rate per land use for TSA B shall be 88% of the value stated above.

4) Effective until August 1, 2019, the impact fee rate per land use for TSA C shall be 61% of the value stated above.

Refunds

An applicant may request and shall receive a refund, including interest earned on impact fees when:

1. The applicant does not proceed to finalize the development activity as required by statute or County Code or the Uniform Building Code, and
2. The County has not expended or encumbered the impact fees in good faith prior to the application for refund.

If the County has expended or encumbered the fees in good faith, no refund shall be forthcoming. However, if with a period of three years, the same or subsequent owner of the property proceeds with the same or substantially similar development activity, the owner shall be eligible for a credit. The owner must petition the County in writing and provide receipts of impact fees paid by the owner for a development of the same or substantially similar nature on the same property or some portion thereof. The County shall determine whether to grant a credit, and such determinations may be appealed.

An "Application for Refund" form is available at the Pierce County Development Center, located at 2401 South 35th Street, Tacoma, WA 98409 or on the County's website at <http://www.piercecountywa.org/xml/services/home/property/pals/pdf/pals%20refund%20request.pdf>.

Appeals and Payments Under Protest

An applicant may pay the traffic impact fees under protest in order to obtain a building permit. No appeal shall be permitted until the impact fees at issue have been paid under protest. In order to be deemed "paid under protest", the applicant must have filled out and submitted a "Payment Under Protest Form" prior to payment of the applicable fees. A "Payment Under Protest Form" is available at the Pierce County Development Center, located at 2401 South 35th Street, Tacoma, WA 98409 or on the County's website at www.piercecountywa.org/tif.

The applicant must also file an official appeal, along with the appropriate appeal fee (\$1,500 as of 1/1/2007) in accordance with Pierce County Code Chapter 1.22. The required "Appeal of a Determination of an Administrative Official or the Responsible County Official" form is available at the Pierce County Development Center, located at 2401 South 35th Street, Tacoma, WA 98409 or on the County's website at www.piercecountywa.org/xml/services/home/property/pals/pdf/appeal.pdf.

Change in Use / Tenant Improvements

For a change in use of an existing building or dwelling unit, including any alteration, expansion, replacement, or new accessory building, the impact fee shall be the applicable impact fee for the land use category of the new use, less any impact fee previously paid for the land use category of the prior use. If not impact fee was required for the prior use, the impact fee for the new use shall be reduced by an amount equal to the current impact fee rate for the prior use.

SEPA

SEPA (State Environmental Policy Act) requirements still apply in addition to the Traffic Impact Fees. However, the County has modified the Traffic Impact Analysis Requirements required for proposed developments. The details of these requirements are available in Chapter 17B.30 of Pierce County Code.

Any project that has a SEPA determination issued is still subject to that determination and its required mitigation, and the TIF does not directly replace nor over-ride those conditions. The applicant may be eligible to apply for a credit towards the Traffic Impact Fees for improvements that have been constructed (or paid in the case of Developer Mitigation Payments), provided that those improvements are included on the TIF improvement list.

Additional Information

Additional Information regarding Traffic Impact Fees is available on-line at www.piercecountywa.org/tif.

For project specific questions, please contact the assigned Development Review Engineer.

General questions regarding traffic impact fees may be directed to:

Rory Grindley, P.E./PTOE, Public Works Associate County Traffic Engineer
(253) 798-2275, or

Mitch Brells, P.E., PALS Development Engineering Supervisor (253) 798-3755.