



## Transportation Impact Fees

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This Client Assistance Memo (CAM) aims to explain why the City charges transportation Impact fees (TIFs), who is required to pay TIFs, and how each TIF is calculated for a development, including the allowed exemptions and how credits can be applied to current transportation capacity reservations. *Please reference the City of Gig Harbor's Municipal Code Chapters 19.10 and 19.12, and Section 2B.035 of the City's Public Works Standards.*

### **What are Transportation Impact Fees?**

Impact Fees are charged for **new construction** or a **change in land use** that creates a need for transportation capacity improvements. Impact fees are used to pay for a development's proportionate share of impacts to the City of Gig Harbor's transportation network resulting from growth.

### **Where are Transportation Impact Fees utilized?**

Impact fees are held within the impact fee fund until the council appropriates capital improvement project (CIP) funds toward a transportation project as described on the six-year Transportation Improvement Plan. These projects are funded by a balance between impact fees and public funds.

### **How often are Transportation Impact Fees adjusted?**

In accordance with GHMC 19.12.070(B)(2) the City will adjust the TIF annually for inflation. Additionally, per GHMC 19.12.080(B) the City will adjust the TIF when the City determines the project list and/or project costs have changed to a degree that requires a comprehensive update to project list and project costs.

### **How are Transportation Impact Fees calculated?**

The base traffic impact fee for the City of Gig Harbor is **\$5,582 per NEW peak hour trip as of January 1, 2022**. The most recent edition of Trip Generation Manual from the Institute of Transportation Engineers (ITE) is utilized to select the most applicable land use code.

The below calculation should be included in the TIA or Trip Generation Memo prepared by the applicant's transportation engineer:

$$\text{Residential TIF} = (\text{Pertinent Residential ITE trip rate}) \times (\text{number of units}) \times (\$5,582)$$
$$\text{Commercial TIF} = (\text{Pertinent Commercial ITE trip rate}) \times (\text{total building square footage in KSF}) \times (\$5,582)$$

### **What is a Transportation Capacity Reservation Certificate (TCRC) Application?**

TCRC Applications are **required for all new developments, redevelopments, and tenant improvements** as part of the Concurrency Management Program. It includes applicant/property owner information, property description, and phasing information required to determine applicable PM Peak hour trips to/from the site. It overviews the guidelines to requesting for credits to a redevelopment and describes the process taken after submittal.

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### ***What is the process in applying Transportation Impact Fees?***

#### ***New Developments***

When applying for a land use application, the applicant will need to submit a **Transportation Capacity Reservation Certificate (TCRC) Application** as a requirement of a complete application. Within this TCRC Application, a legal description and a site plan depicting the proposed road and driveways will need to be provided. A **Transportation Impact Analysis (TIA) or Trip Generation and Distribution Study** must also be provided to prove the intended PM peak hour trips estimated. Upon submission and acceptance of the TCRC application, a **Concurrency Model Run** will be conducted in accordance with the GHMC Section 19.10.003(B)(1). This evaluation will determine with the proposed development can be accommodated within the existing or planned capacity of City transportation facilities. There is a fee associated with the concurrency model run. The fee changes depending on the number of PM Peak trips proposed.

#### ***Redevelopment/Tenant Improvements***

When applying for a tenant improvement building permit, the tenant will need to verify adequate transportation capacity exists under a previously approved **TCRC Application**. *If there is not sufficient capacity to support the tenant's proposed improvements, then the tenant must submit a new TCRC application and TIA and fee for a concurrency model run to support their proposed improvements, like the process noted above for new developments. If the TCRC application is approved the tenant must then pay the additional TIF based on the approved TCRC application.*

For redevelopment or tenant improvements, *credits could be available*, provided, that the developer provide reasonably sufficient evidence that the previous use has been actively maintained on the site during the five-year period prior to the date of application for the capacity evaluation ([GHMC 19.10.004A](#)).

### ***What is a Traffic Impact Analysis/Trip Generation and Distribution Study?***

A traffic impact analysis or trip generation and distribution study is a specialized study that demonstrates the impacts a certain type and size of development will have on the surrounding transportation system. The Level of Analysis needed to be provided is below as well as outlined within the 2018 Public Works Standards Section 2B.035.

- 4 or less NEW pm peak hour trips: TCRC required. City will calculate trips. If applicant doesn't agree with calculation, they can hire a traffic engineer to prepare a Trip Generation Memo to calculate the trips and resulting TIF. No concurrency model run is required.
- 5 to 10 trips: City will assign a Trip Generation Memo or TIA to be required from applicant's engineer, concurrency model run, and TCRC required.
- 11 to 14 trips: Level 1 TIA, concurrency model run, and TCRC required.
- 15 or more trips: Level 2 TIA, concurrency model run, and TCRC required.



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### Frequently Asked Questions

***What if my proposed development or proposed change in land use will not generate the number of PM peak trips predicted by the ITE manual?***

A developer or tenant can conduct an independent traffic impact analysis at the applicant's expense in support of alternate conclusions. Any study must be conducted by a licensed Transportation Engineer and in accordance with the GHMC 19.10.027.

***As a tenant, how can I find out if my landlord has reserved trips for a leased space?***

Before occupying a potential space, a tenant should speak with the future landlord about the reserved peak hour trips for the current land use. The potential tenant should reach out to future landlord before committing to the space. It is recommended that said tenant should **schedule a Pre-Application meeting** to review TIF and other possible issues prior to submitting for permits.

*For more information, please call the Engineering Department at (253-851-8136) if you have any questions about the Concurrency Management Program.*