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Faced with growing congestion, reduced public funds and increased public interest in promoting alternative transportation modes --

by Ann Lawler and Michael Powers, AICP

Traffic Impact Fees -- Survey Results

Santa Barbara County governmental agencies explored the use of Traffic Impact Fees (TIFS) to fund transportation alternatives (bicycling, walking, transit and rail). While most of the jurisdictions within Santa Barbara County require developers to pay their fair share to mitigate the impacts of growth and development on the street and roadway system, the fees have not historically been used to fund alternative transportation improvements. Local interest in how other agencies are financing such improvements spurred the Santa Barbara County Association of Governments (SBCAG), in its role as the Regional Transportation Planning Agency and Metropolitan Planning Organization for the region, to undertake a survey of traffic impact fees, whether the fees include a specified apportionment to fund alternative transportation mode improvements and, in such cases, how the nexus and proportionality issues are addressed.

The survey generated quite a large database. Information was compiled for 264 jurisdictions, including all 58 counties and 206 of the 469 cities in the state. Of these 264 jurisdictions, 150 impose TIFS, including 34 (59%) of the counties and 116 (56%) of the cities.

The report examines the correlation between population size and TIF implementation. It presents information on TIF fee basis and calculation methodology, revenue use and allocation for the surveyed jurisdictions.

Information on fee structure, e.g., fee amounts, is presented for 68 of the 150 jurisdictions identified as having TIFS. To the extent that such a comparison was possible, the report presents the range of residential and nonresidential TIFs (high, low and average) by geographic area (Caltrans District),

The study found a positive correlation between county population size and TIF implementation: 41 % of the counties with populations under 200,000 have TIFS, contrasted with 83% of the counties with populations over 200,000. A similar correlation was found in the surveyed cities; 37% of the surveyed cities with populations under 40,000 impose TIFS, contrasted with 68% of the cities with

populations over 40,000.

Local Funding Mechanisms Used by Jurisdictions			
<i>Street and Road Improvements</i>	<i>No of Jurisdictions</i>	<i>Alternative Transportation Improvements</i>	<i>No of Jurisdictions</i>
Street and Road Benefit Districts	61	Investment income, parking lot revenues, rental of revenue vehicles, buildings, other property	88
Traffic Fines and Forfeitures (Counties)	17	Local grants or subsidies (including General Fund monies)	54
Traffic Safety Fund (Cities)	36	Advertising (display for revenues)	36
Local sales tax (Countywide)	17	Local sales tax	13
Private parties financed	12	TDM Offsite Fee	5
Public/Private Partnerships	5	Property tax for transit	4
Toll road/Bridge toll capture	3	Air quality fee used for alternative transportation improvements	2
Building or construction tax, valuation	2	Charter bus/van service, including school bus service	2
Air quality fee used for road improvements	2	Public/Private Partnerships	1
Regional Fee	2	Transit district sales tax	1
General Development Fee	1		
Public Facilities Tax	1		
Utility Tax	1		

In most of the jurisdictions surveyed, transportation infrastructure/facility needs associated with the General Plan at buildout were used as the basis for determining the TIFS. The study documents that TIF assessment/ calculation methods vary. Forty-two percent of the 95 jurisdictions for which this information was tabulated assess their fees based on the proposed development project's average daily trips; 34% use the size of the proposed development (square footage, number of units, etc.); 23% use peak hour trips, and 1% use the building

valuation.

The study found that while most of the jurisdictions that impose TIFs use the revenues for traditional street and road improvements, more than 10% allocate a portion for alternative transportation mode improvements. Examples of street and road improvements funded by TIF revenues include freeway or interchange improvements, road widenings, intersection improvements, signalization, transportation corridor improvements, and bridge improvements. Examples of alternative transportation modes funded by TIF revenues include new or upgrade of existing bicycle and pedestrian facilities, signage programs, transit capital improvements (new buses, shelters, terminals), bus pull-outs, rideshare/carpool and parking management programs, park and ride lots and light rail station improvements.

Jurisdictions were found to use basically four approaches in documenting the relationship (nexus) between new development and the alternative mode improvements to be funded from the TIF revenues.

1. Demonstration of a direct relationship. The existing alternative mode will be impacted by the development, and improvements are needed to handle the increase in mode use.
2. An indirect method which equates a mode shift. This results from the alternative mode improvements to be funded by the TIF to an increase in street capacity, and thus, a reduction in traffic impact.
3. Project or location specific. This approach involves negotiation with the development to provide funds for a specific improvement, i. e., bus stop, bike path, or transit shuttle, that will directly serve the development.
4. Policy-based. A capital improvement program with traditional street and road projects and alternative mode projects is adopted as part of the ordinance establishing the fee.

After considering these alternatives, the recommended method for local jurisdictions considering the use of impact fees for alternative transportation modes is the policy based approach.

The study concludes with a recommendation that jurisdictions recognize that alternative transportation modes have a role in a traffic impact fee program. The report recommends that jurisdictions with TIFs consider amending their TIF

ordinance to include alternative transportation modes in the program of projects to be funded by the TIF.

The study recommends that local jurisdictions with TIFs take the following affirmative steps:

- Recognize alternative transportation modes have a role in a TIF
- Coordinate with alternative mode advocates, developers and transit agencies.
- Identify capital requirements to develop alternative transportation modes.
- Amend the TIF ordinance to include alternative transportation mode improvements in a capital improvement program (CIP).
- Tie the fee revenues to the CIP which includes both traditional street and road projects and alternative transportation projects.
- Monitor and adjust the project list and fee levels as appropriate over time.

Ann Lawler, the principal author, is Transportation Planner II with the Santa Barbara County Association of Governments, and Michael Powers, AICP, is Deputy Director of the Santa Barbara County Association of Governments.

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