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## **TRAFFIC IMPACT FEE PROGRAM FREQUENTLY ASKED QUESTIONS**

The City of Federal Way has adopted a Traffic Impact Fee Program (TIF) (Ordinance 09-627) with an effective implementation date of July 1, 2010. This guideline is designed to assist the development community in understanding the Traffic Impact Fee Program.

### **What are Traffic Impact Fees?**

Impact fees are charges based on a set fee assessed on all new development activity 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 created by new development within the City limits of Federal Way.

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 is Traffic Impact Fee Due?**

For commercial developments, fees will be calculated based on the impact fee schedule in effect at the time a completed building permit application is filed and paid prior to permit issuance. For a change in use for which no building permit is required, the fee will be calculated and paid based on the impact fee schedule in effect on the date of an approved change of use.

For all applications for single-family, multifamily residential building permits, and manufactured home permits, the total amount of the impact fees will be assessed and collected from the applicant when the building permit is issued, using the fee schedule then in effect.

However, for single family residential dwelling the applicant may request, at any time prior to building permit issuance, to defer to final building inspection the payment of a transportation impact fee. Refer to defer payment of impact fee code for process. With the deferral of the fee payment, a covenant prepared by the City to enforce payment of the deferred fees will be recorded at the applicant's expense on each lot at the time prior to building permit issuance.

### **Exemptions**

Limited exemptions are established in the impact fee ordinance. The following development activities which do not generate any new trips are excluded from the obligation to pay traffic impact fees:

- Alteration or expansion of an existing structure that does not add any square footage
- Miscellaneous improvements which do not increased p.m. peak trips, including, but not limited to fences, walls, residential swimming pools and signs;
- Demolition or removal of a structure within the City

- Miscellaneous permits such as Electrical, Fire Protection System, Mechanical, Plumbing, Right-of-way use, Shoreline and sign permits;
- Rezones, Comprehensive plan amendments, Clearing and Grading, Commercial subdivisions, Boundary line adjustment and Lot line eliminations,

**Will I receive credits against the impact fees for my land dedication and/or construction?**

The applicant may request that a credit or credits for impact fees be awarded to him/her for the total value of system improvements, including dedications of land, improvements and/or construction provided by the applicant. Credits will be given on a case-by-case basis and shall not exceed the impact fee payable. Any claim for credit must be made prior to the issuance of building permit (payment of the impact fee).

Credits for the construction will be provided only if the land, improvements, and/or the facility constructed are listed as planned transportation projects in the Rate Study. No credit will be given for code-based frontage improvements or right-of-way dedications, direct access improvements to and/or within the subject development unless the improvement is part of a project listed on the Rate Study.

**Can Impact Fee Adjustments be made?**

Yes. The applicant may submit an independent fee calculation for the development activity. The documentation submitted must be prepared by a traffic engineer licensed in Washington State and shall be limited to adjustments in trip generation rates and lengths used in the Rate Study. The applicant will be required to pay the City on an hourly rate to cover the cost of reviewing the independent fee calculation.

**Can I get a refund if my project does not proceed?**

The applicant may request for a refund, including interest earned on paid impact fees when:

1. The applicant does not proceed to finalize the development activity for which the impact fees were imposed as required by statute or the International Building Code, and
2. The City has not expended or encumbered the impact fees in good faith prior to the application for refund. If the City has expended or encumbered the fees in good faith, no refund will be provided. However, if within a period of three (3) 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 City 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.

**How is the impact fee determined for a change in use?**

For a change in use of an existing building or dwelling unit, including any alteration, expansion, replacement, or new accessory building that generates new trips, the impact fee will be assessed based on the difference between the new uses and the prior use. If no 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.

**How often will Impact Fees Rates change?**

The TIF rates will be indexed every year based on a three-year moving average of the Washington State Department of Transportation Construction Cost Index. A major update with a new rate study will occur every three years to account for new projects added to the 6-Year Transportation Improvement Program (TIP) and the Capital Improvement Program (CIP).

**How do I calculate the Impact Fee amount for my project?**

Traffic Impact Fees will be determined by the City at building permit stage based on the fee schedule in effect at the time. The TIF is assessed based on the land use category (proposed development) as depicted in the impact fee schedule multiplied by the per unit cost.

**Total Impact Fee Cost = (Total Unit of Development) x ( Impact Fee Rate per Unit)**

Below are examples of a typical project:

Land Use Category	Project Size (A)	Impact Fee Rate (Per Unit Cost) (B)	Total Impact Fee Cost (A x B)
Single Family	10 Dwelling Units	\$3,999 per Unit	\$39,990.00
Multi Family	100 Dwelling Units	\$2,593.00 per Unit	\$259,300.00
Fast Food Restaurant	2,500 Sq. Ft. GFA	\$38.25 per sf/GFA	\$95,625.00
General Office	35,000 Sq. Ft. GFA	\$6.06 per sf/GFA	\$212,100.00

Notes:

GFA = Gross Floor Area

The fees listed in the table do not include the three percent (3%) administrative fee. The administrative fee is not creditable or refundable, and must be paid at the same time as the impact fee.

**Does this mean I will never have to prepare a Traffic Impact Analysis?**

No. The impact fee only covers off-site traffic mitigation derived from planned transportation projects as listed in the Rate Study. Additional improvement may be required as determine on a case-by-case basis. The following are examples of additional requirements the applicant may need to hire an Engineer to complete:

- Parking Demand and Utilization
- Specialized Land Use and Trip Generation
- Safety analysis (Sight Distance Analysis, Queuing and Gap analysis)
- Neighborhood Traffic Impacts
- Design of Mitigation Improvements such as signals, turn lanes, access, or new roads
- Traffic impacts over 100 trips in other peak hours such as morning and weekends

**Can I pay the Traffic Fee instead of the pro-rata mitigation identified in the Concurrency Analysis for my pending project?**

No. Any development permit application with a concurrency application in conjunction with a complete land use application is vested to the current pro-rata mitigation system. The applicant may migrate to the impact fee system only if the existing land use application expires or is cancelled by the applicant.

**Additional Information**

Additional information regarding Traffic Impact Fees is available on-line at [www.cityoffederalway.com](http://www.cityoffederalway.com) or contact Sarady Long, Senior Transportation Planning Engineer (253) 835-2743 or [Sarady.long@cityoffederalway.com](mailto:Sarady.long@cityoffederalway.com).

## 2019 Federal Way Impact Fee Components and Schedule

Land Use	ITE Land Use Code	Unit of Measure	Basic Trip Rate	New Trip %	New Trip Rate	Avg. Trip Length (miles)	Trip Length Adjustment	Impact Fee Rate 2019
<b>Cost Per Trip End</b>							<b>3.1</b>	<b>\$3,503.56</b>
NONE	N/A						0.00	
								1.031
<b>A. RESIDENTIAL</b>								1.04220
Single Family (Detached)	210	dwelling	1.01	100%	1.01	3.5	1.13	\$3,999.00
Multi-Family - (Apartment/Low-High Rise)	220, 221	dwelling	0.62	100%	0.62	3.7	1.19	\$2,593.00
Senior Housing	251	dwelling	0.31	100%	0.31	2.8	0.90	\$981.00
Mobile Home in MH Park	240	dwelling	0.59	100%	0.59	2.8	0.90	\$1,867.00
<b>B. COMMERCIAL - SERVICES</b>								
Drive-in Bank	912	sf/GFA	25.82	60%	15.49	1.5	0.48	\$26.26
Hotel	310	room	0.59	100%	0.59	4.0	1.29	\$2,667.00
Motel	320	room	0.47	100%	0.47	4.0	1.29	\$2,125.00
Day Care Center	565	sf/GFA	12.46	75%	9.35	2.0	0.65	\$21.12
Library	590	sf/GFA	7.30	75%	5.48	1.7	0.55	\$10.52
Post Office	732	sf/GFA	11.12	75%	8.34	1.7	0.55	\$16.02
Service Station	944	VFP	13.87	40%	5.55	1.7	0.55	\$10,659.00
Service Station with Minimart	945	sf/GFA	97.08	30%	29.12	1.7	0.55	\$55.96
Super Conv Market/Gas Station	960	sf/GFA	69.28	30%	20.78	1.7	0.55	\$39.93
Auto Care Center	942	sf/GLA	3.38	70%	2.37	2.2	0.71	\$5.88
Movie Theater	444, 445	seat	0.07	85%	0.06	2.3	0.74	\$154.67
Health Club	492, 493	sf/GFA	3.53	75%	2.65	3.1	1.00	\$9.28

<b>C. COMMERCIAL - INSTITUTION</b>								
Elementary School	520	sf/GFA	1.21	80%	0.97	1.7	0.55	\$1.86
Middle/Jr High School	522	sf/GFA	1.19	80%	0.95	2.7	0.87	\$2.91
High School	530	sf/GFA	0.97	80%	0.78	3.7	1.19	\$3.24
Assisted Living, Nursing Home	254	bed	0.22	100%	0.22	2.8	0.90	\$696.00
Nursing Home	620	bed	0.22	100%	0.22	2.8	0.90	\$696.00
Church	560	sf/GFA	0.55	100%	0.55	3.7	1.19	\$2.30
Cemetery	566	acres	0.46	100%	0.46	4.0	1.29	\$2,079.53
Hospital	610	sf/GFA	1.14	80%	0.91	4.0	1.29	\$4.12
<b>D. COMMERCIAL - RESTAURANT</b>								
Quality Restaurant	931	sf/GFA	7.49	60%	4.49	3.4	1.10	\$17.27
High Turnover Restaurant	932	sf/GFA	11.15	60%	6.69	2.3	0.74	\$17.39
Fast Food Restaurant	934	sf/GFA	33.84	50%	16.92	2.0	0.65	\$38.25
Espresso with Drive-Through	938	sf/GFA	75.00	20%	15.00	2.0	0.65	\$33.91
<b>E. COMMERCIAL - RETAIL SHOPPING</b>								
Shopping Center	820	sf/GLA	3.87	70%	2.71	2.1	0.68	\$6.43
Supermarket	850	sf/GFA	10.50	75%	7.88	2.1	0.68	\$18.69
Convenience Market	851	sf/GFA	52.41	45%	23.58	1.3	0.42	\$34.65
Free Standing Discount Store	813, 815	sf/GFA	4.67	70%	3.27	2.1	0.68	\$7.76
Hardware/Paint Store	816	sf/GFA	4.84	40%	1.94	1.7	0.55	\$3.72
Specialty Retail Center	814	sf/GFA	2.71	50%	1.36	1.7	0.55	\$2.60
Furniture Store	890	sf/GFA	0.45	60%	0.27	1.7	0.55	\$0.52
Home Improvement Superstore	862	sf/GFA	2.37	70%	1.66	2.1	0.68	\$3.94
Pharmacy with Drive-Through	881	sf/GFA	10.35	50%	5.18	1.7	0.55	\$9.94
Car Sales -New/ Used	841	sf/GFA	2.59	80%	2.07	4.0	1.29	\$9.37
<b>F. COMMERCIAL - OFFICE</b>								
General Office	710	sf/GFA	1.49	90%	1.34	4.0	1.29	\$6.06
Medical Office	720	sf/GFA	3.46	75%	2.60	4.0	1.29	\$11.73

**G. INDUSTRIAL**

Light Industry/Manufacturing	110, 140	sf/GFA	0.97	100%	0.97	4.0	1.29	\$4.39
Heavy Industry	120	sf/GFA	0.68	100%	0.68	4.0	1.29	\$3.07
Industrial Park	130	sf/GFA	0.86	100%	0.86	4.0	1.29	\$3.89
Mini-Warehouse/Storage	151	sf/GFA	0.26	100%	0.26	4.0	1.29	\$1.18
Warehousing	150	sf/GFA	0.32	100%	0.32	4.0	1.29	\$1.45

## City Center (CC) Impact Fee Rates\*

								City Center Reduction Factor	City Center Impact Fee Rate 2019
N/A									
<i>NONE</i>									
<b>Residential</b>									
Multi-Family (CC)	220, 221, 230, 233	dwelling	0.62	100%	0.62	3.7	1.19	72%	\$1,867.00
Senior Housing (CC)	251	dwelling	0.31	100%	0.31	2.8	0.90	72%	\$706.00
<b>Commercial - Services</b>									
Drive-in Bank (CC)	912	sf/GFA	25.82	60%	15.49	1.5	0.48	70%	\$18.38
Day Care Center (CC)	565	sf/GFA	12.46	75%	9.35	2.0	0.65	70%	\$14.79
Library (CC)	590	sf/GFA	7.30	75%	5.48	1.7	0.55	70%	\$7.36
Post Office (CC)	732	sf/GFA	11.12	75%	8.34	1.7	0.55	70%	\$11.22
Movie Theater (CC)	444, 445	seat	0.07	85%	0.06	2.3	0.74	70%	\$108.27
Health Club (CC)	492, 493	sf/GFA	3.53	75%	2.65	3.1	1.00	70%	\$6.49
<b>Commercial - Restaurant</b>									
Restaurant (CC)	931	sf/GFA	7.49	60%	4.49	3.4	1.10	70%	\$12.09
High Turnover Restaurant (CC)	932	sf/GFA	11.15	60%	6.69	2.3	0.74	70%	\$12.17
Fast Food Restaurant (CC)	934	sf/GFA	33.84	50%	16.92	2.0	0.65	70%	\$26.77
<b>Commercial - Retail Shopping</b>									
Shopping Center (CC)	820	sf/GLA	3.87	70%	2.71	2.1	0.68	70%	\$4.50
Supermarket (CC)	850	sf/GFA	10.50	75%	7.88	2.1	0.68	70%	\$13.08
Pharmacy with Drive-Through (CC)	881	sf/GFA	10.35	50%	5.18	1.7	0.55	70%	\$6.96
<b>Commercial - Office</b>									
General Office (CC)	710, 715, 750	sf/GFA	1.49	90%	1.34	4.0	1.29	60%	\$3.64
Medical Office (CC)	720	sf/GFA	3.46	75%	2.60	4.0	1.29	60%	\$7.04

### Notes:

GFA = Gross Floor Area

GLA = Gross Leasable Area

CC = City Center

For uses with Unit of Measure in sF, trip rate is given as trips per 1,000 sF

VFP = Vehicle Fueling Positions (Maximum number of vehicles that can be fueled simultaneously)