

May 8, 2015



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## **Clark County TIF Update**

### **Task 8: TIF Update Recommendations**

#### **APPENDIX**

- A. Memorandum: Clark County Traffic Impact Fee Rate Scenarios and Draft Findings with project costs allocated to districts based on trips
- B. Memorandum: Existing TIF and Policy
- C. Memorandum: Best Practices
- D. Memorandum: Stakeholder Interviews
- E. Memorandum: Redefined Geographic Boundaries
- F. Memorandum: TIF Credit System Update
- G. Memorandum: Business Enhancement Factor and Other Potential Incentives

**To:** Ray Delahanty, AICP, DKS Associates **Date:** May 18, 2015  
**From:** Todd Chase and Anthony Martin, FCS GROUP  
**CC:** Matt Hermen, Clark County  
**RE:** Clark County Traffic Impact Fee Rate Scenarios and Draft Findings with project costs allocated to districts based on trips

## 1. PURPOSE

The purpose of this memorandum is to describe the Clark County (County) Traffic Impact Fee (TIF) scenarios that have been developed and refined during the 2015 TIF update work now underway.

There are three scenarios for the Clark County TIF district boundaries, listed below.

- ◆ Scenario 1 (five districts): Hazel Dell, Mt. Vista, Orchards, Rural 1, and Rural 2.
- ◆ Scenario 2 (four districts): Hazel Dell, Mt. Vista, Orchards, and Rural.
- ◆ Scenario 3 (two districts): Urban County and Rural.

Each district contains specific trip growth rates, assumptions, and project costs which will be examined below.

The process of updating the TIF Program Administration is scheduled for July, 2015. The 2015 TIF program update that is now in process is based on the existing adopted Comprehensive Growth Management Plan; the 2007 Comprehensive Plan with approved amendments. Clark County is also currently in the process of updating its Comprehensive Growth Management Plan. The Plan update is scheduled for adoption in June, 2016. If the Comprehensive Plan update requires changes to the Capital Facilities Plan and growth assumptions, the County's TIF rates may need to be adjusted subsequently.

## 2. PRIVATE SHARE CALCULATIONS

The private share is the amount of future local capacity costs required to accommodate planned growth within the County; and as such serves as the eligible cost basis for the TIF program. In order to analyze the TIF district scenarios and related fees, the minimum private share for each district was determined using the data from the Clark County transportation model, County staff, and DKS Associates. The private share is calculated as the change in P.M. Peak Hour Trip-Ends (PMPHTs) for each district from 2015 to 2035 over district PMPHTs in 2035.

Note that the growth in PMPHTs for the Hazel Dell and Mt. Vista districts is the same in scenarios one and two. This is noted because, in our prior analysis, scenario two included a portion of Highway 99 in Mt. Vista. The change mirrors the current boundary as well as the boundary in district scenario one. This change affects the trip growth analysis and TIF-eligible costs.

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## A. GROWTH IN TRIPS AND MINIMUM PRIVATE SHARE

**Exhibit 1** shows the projected growth in PMPHTs for district scenarios 1, 2, and 3. For each scenario, the amount of PMPHTs is estimated for 2010, 2015, and projected for year 2035. The growth from 2015 to 2035 serves as the denominator in the TIF calculation. The minimum private share for each district and scenario is shown in **Exhibit 1**.

**Exhibit 1: Growth Assumptions**

Growth in PM Peak Hour Trips						
District	2010	Proj. 2035	CAGR	Est. 2015	New PMPHTs from 2015 to 2035	Minimum Private Share
<b>District Scenario 1</b>						
Hazel Dell	16,244	20,831	1.00%	17,073	3,758	18%
Mt. Vista	7,956	16,371	2.93%	9,191	7,180	44%
Orchards	18,056	27,947	1.76%	19,705	8,242	29%
Rural 1	7,947	14,752	2.51%	8,993	5,759	39%
Rural 2	7,197	11,207	1.79%	7,863	3,343	30%
<b>Total</b>	<b>57,400</b>	<b>91,107</b>	<b>1.87%</b>	<b>62,825</b>	<b>28,282</b>	<b>31%</b>
<b>District Scenario 2</b>						
Hazel Dell	16,244	20,831	1.00%	17,073	3,758	18%
Mt. Vista	7,956	16,371	2.93%	9,191	7,180	44%
Orchards	18,056	27,947	1.76%	19,705	8,242	29%
Rural	15,143	25,959	2.18%	16,867	9,092	35%
<b>Total</b>	<b>57,400</b>	<b>91,107</b>	<b>1.87%</b>	<b>62,835</b>	<b>28,272</b>	<b>31%</b>
<b>District Scenario 3</b>						
Urban County	42,256	65,148	1.75%	46,078	19,070	29%
Rural	15,143	25,959	2.18%	16,867	9,092	35%
<b>Total</b>	<b>57,400</b>	<b>91,107</b>	<b>1.87%</b>	<b>62,945</b>	<b>28,162</b>	<b>31%</b>

**Source:** Clark County transportation model, analysis by DKS Associates and County staff, compiled by FCS GROUP. **Abbreviations:** CAGR - compound annual growth rate; PMPHTs - P.M. peak hour trips.

## B. CAPACITY NEED FOR GROWTH AND PROJECT COSTS

County staff and DKS Associates created a project list with estimates of total project costs, County costs after accounting for non-local funding sources, and district benefit for each project based on expected vehicle trips by district. The project list was divided into two types of projects: projects with specified locations (SL) and unspecified general improvements and programs (UGIP). SL projects have an identified location and provide benefit for TIF district as specified by DKS Associates. UGIP projects are programmatic and benefit a category of districts. All UGIP projects benefit urban districts (Hazel Dell, Mt. Vista, and Orchards districts) or rural districts (Rural 1, or Rural 2).

In order to derive the capacity share (TIF-eligible costs) for each project, we considered project benefit along with expected vehicle trips on the project by each district. The project capacity cost is calculated in one of two ways for each project:

- ◆ If the project had a specific location, the capacity share is calculated as the weighted average of the minimum private shares of each benefitting district multiplied by the County costs. Weights are derived from the estimated allocation of expected vehicle trips on each project/program by each district.

- ◆ For programmatic UGIP improvements (such as transportation system operations and traffic signal optimization), the capacity share was the weighted sum of the percent of new PMPHTs from each benefitting district by total PMPHTs of benefitting districts multiplied by the County costs.

See **Appendix A** for each project’s locational benefit (regional or UGIP), the districts benefitting, and the weighted capacity share. Note that because each district scenario contains different minimum private shares and trip allocations for each district, the total capacity share for each district scenario will be different.

The proposed TIF program for Clark County includes 21 projects with a specific location and 6 UGIP programs. All improvements are planned to be needed and constructed between 2015 and 2035 at a total cost of \$330.5 million. After accounting for potential non-local grants and other funding sources, the County anticipates that \$280.2 million in costs will need to be funded by the County (mix of TIF and other local funding sources). It is estimated that the TIF funding would be able to generate between approximately \$86 and \$96 million, depending upon the scenario chosen.

**Exhibit 2** shows a summary of the total project costs and capacity share for each district scenario. See **Appendix B** for a full list of project costs and capacity share based on the private assumptions outlined above.

**Exhibit 2**

Transportation Project Cost Summary					
Project Type	2015 Total Costs	2015 County Costs	Capacity Share - SL Projects	Capacity Share - UGIP Projects	Total Capacity Share
District Scenario 1	\$330,490,000	\$280,189,000	\$61,291,000	\$34,500,000	\$95,791,000
District Scenario 2	\$330,490,000	\$280,189,000	\$61,057,000	\$34,241,000	\$95,298,000
District Scenario 3	\$330,490,000	\$280,189,000	\$53,934,000	\$32,196,000	\$86,130,000

**Source:** DKS and County staff, compiled by FCS GROUP; derived from Appendix A.

**Note:** Costs escalated to 2015 costs using Engineering New Record, Seattle Cost Index.

**Abbreviations:** SL - specific location; UGIP - unspecified general improvements and programs

### 3. CAPACITY COSTS BY TIF DISTRICT

In order to apply capacity costs to specific districts, an analysis similar to calculating the capacity share was used. DKS Associates identified the scope of project benefit by providing an allocation of the projected growth in trip-ends for each project by each district, as mentioned above. Capacity costs were allocated to specific districts thusly:

- ◆ If the project was classified as a having a specific location, the project capacity share was distributed to TIF districts based on trip allocations.
- ◆ If the project was classified as UGIP, the capacity share was allocated based on the weighted sum of the percent of new PMPHTs from each benefitting district by total PMPHTs of benefitting districts.

Project costs by TIF district are summarized in **Exhibit 3** and provided in detail in **Appendix C**. Note that the difference between capacity share costs in **Exhibit 2** and **Exhibit 3** is a result of rounding costs to the nearest \$1,000 and adjusting trip allocation percentages to reflect each district scenario. See **Appendix D** for the allocation factors used in calculating TIF eligible project costs by district.

**Exhibit 3: Project Capacity Share Allocation to Districts by District Scenario**

Project Costs Scenario 1 (Rounded to \$1,000s)						
TIF Districts						
District Scenario 1	Hazel Dell	Mt. Vista	Orchards	Rural 1	Rural 2	Total
SL Projects	\$6,731,738	\$23,837,875	\$20,212,965	\$7,018,474	\$3,489,948	\$61,291,000
UGIP Projects	3,897,075	7,444,847	8,546,078	9,245,072	5,366,928	34,500,000
<b>Total</b>	<b>\$10,628,814</b>	<b>\$31,282,722</b>	<b>\$28,759,042</b>	<b>\$16,263,547</b>	<b>\$8,856,875</b>	<b>\$95,791,000</b>
District Scenario 2	Hazel Dell	Mt. Vista	Orchards	Rural	Total	
SL Projects	\$6,727,449	\$23,890,614	\$20,154,844	\$10,284,093	\$61,057,000	
UGIP Projects	3,897,075	7,444,847	8,546,078	14,353,000	34,241,000	
<b>Total</b>	<b>\$10,624,524</b>	<b>\$31,335,461</b>	<b>\$28,700,922</b>	<b>\$24,637,093</b>	<b>\$95,298,000</b>	
District Scenario 3	Urban County	Rural	Total			
SL Projects	\$44,508,501	\$9,425,499	\$53,934,000			
UGIP Projects	17,843,000	14,353,000	32,196,000			
<b>Total</b>	<b>\$62,351,501</b>	<b>\$23,778,499</b>	<b>\$86,130,000</b>			

Source: DKS and County staff, compiled by FCS GROUP.

Abbreviations: SL - specific location; UGIP - unspecified general improvements and programs

## 4. TIF RATES BY DISTRICT SCENARIO

Using the data above, a summary of the existing and potential changes in TIF rates in comparison to existing rates are provided in **Exhibit 4** for each scenario. As the current Clark County TIF is charged on an Average Daily Trip-End (ADT) basis and the analysis above is based on PMPHT, a row is provided that converts PMPHT to ADT fees per single family detached home using a factor of 10. **Exhibits 4 and 5** compare potential impact fees to current impact fees.

**Exhibit 4**

Comparison of Existing and Potential TIF Rates per ADT				
District	Existing	Scenario 1	Scenario 2	Scenario 3
Hazel Dell	\$375	\$283	\$283	\$327
Mount Vista	\$613	\$436	\$436	
North Orchards	\$553	\$349	\$348	
South Orchards	\$389			
Rural 1	\$315	\$282	\$271	\$262
Rural 2	\$52	\$265		

Source: County staff, compiled by FCS GROUP.

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**Exhibit 5: Existing and Draft Proposed TIF Rates**

**Existing Clark County Traffic Impact Fee per ADT**

	Hazel Dell	Mount Vista	North Orchards	South Orchards	Rural 1	Rural 2
<b>Rates</b>	\$ 375	\$ 613	\$ 553	\$ 389	\$ 315	\$ 52

**Draft District Scenario 1 Traffic Impact Fee**

	Hazel Dell	Mt. Vista	Orchards	Rural 1	Rural 2
<b>Eligible SL project costs</b>	\$ 6,731,738	\$ 23,837,875	\$ 20,212,965	\$ 7,018,474	\$ 3,489,948
<b>Eligible UGIP project costs</b>	3,897,075	7,444,847	8,546,078	9,245,072	5,366,928
<b>Total project cost basis</b>	\$ 10,628,814	\$ 31,282,722	\$ 28,759,042	\$ 16,263,547	\$ 8,856,875
<b>New PMPHTs</b>	3,758	7,180	8,242	5,759	3,343
<b>Proposed SL impact fee per PMPHT</b>	\$ 1,791	\$ 3,320	\$ 2,452	\$ 1,219	\$ 1,044
<b>Proposed UGIP impact fee per PMPHT</b>	1,037	1,037	1,037	1,605	1,605
<b>Proposed impact fee per PMPHT</b>	\$ 2,828	\$ 4,357	\$ 3,489	\$ 2,824	\$ 2,649
<b>Est. Proposed impact fee per ADT</b>	<b>283</b>	<b>436</b>	<b>349</b>	<b>282</b>	<b>265</b>

Source: Previous tables, compiled by FCS GROUP.

Abbreviations: SL - specific location; UGIP - unspecified general improvements and programs; ADT - average daily trip-end; PMPHT - P.M. Peak Hour Vehicle Trip-End

**Draft District Scenario 2 Traffic Impact Fee**

	Hazel Dell	Mt. Vista	Orchards	Rural
<b>Eligible project costs</b>	\$ 6,727,449	\$ 23,890,614	\$ 20,154,844	\$ 10,284,093
<b>Eligible UGIP costs</b>	3,897,075	7,444,847	8,546,078	14,353,000
<b>Total project cost basis</b>	\$ 10,624,524	\$ 31,335,461	\$ 28,700,922	\$ 24,637,093
<b>New PMPHTs</b>	3,758	7,180	8,242	9,092
<b>Proposed SL impact fee per PMPHT</b>	\$ 1,790	\$ 3,327	\$ 2,445	\$ 1,131
<b>Proposed UGIP impact fee per PMPHT</b>	1,037	1,037	1,037	1,579
<b>Proposed impact fee per PMPHT</b>	\$ 2,827	\$ 4,364	\$ 3,482	\$ 2,710
<b>Est. Proposed impact fee per ADT</b>	<b>283</b>	<b>436</b>	<b>348</b>	<b>271</b>

Source: Previous tables, compiled by FCS GROUP.

Abbreviations: SL - specific location; UGIP - unspecified general improvements and programs; ADT - average daily trip-end; PMPHT - P.M. Peak Hour Vehicle Trip-End

**Draft District Scenario 3 Traffic Impact Fee**

	Urban County	Rural
<b>Eligible project costs</b>	\$ 44,508,501	\$ 9,425,499
<b>Eligible UGIP costs</b>	17,843,000	14,353,000
<b>Total project cost basis</b>	\$ 62,351,501	\$ 23,778,499
<b>New PMPHTs</b>	19,070	9,092
<b>Proposed SL impact fee per PMPHT</b>	\$ 2,334	\$ 1,037
<b>Proposed UGIP impact fee per PMPHT</b>	936	1,579
<b>Proposed impact fee per PMPHT</b>	\$ 3,270	\$ 2,615
<b>Est. Proposed impact fee per ADT</b>	<b>327</b>	<b>262</b>

Source: Previous tables, compiled by FCS GROUP.

Abbreviations: SL - specific location; UGIP - unspecified general improvements and programs; ADT - average daily trip-end; PMPHT - P.M. Peak Hour Vehicle Trip-End

## APPENDIX

### Appendix A – Project Capacity Share Percentages Calculated by Trip Distribution

Project Capacity Share Calculation, District Scenario 1					Capacity Share Weights					Total	Capacity Share Scenario 1
Minimum Private Share by District					18%	44%	29%	39%	30%		
Project No.	Road	From	To	Project Benefit	Hazel Dell	Mt. Vista	Orchards	Rural 1	Rural 2	Total	Capacity Share Scenario 1
T1	NE 119th St	NE 72nd Ave	NE 87th Ave	Regional	16%	22%	44%	12%	5%	100%	32%
T2	NE 47th Ave @ NE 78th St	Intersection		Regional	47%	7%	39%	6%	1%	100%	26%
T3	NE 94th Ave	NE Padden Pkwy	NE 99th St	Regional	8%	2%	75%	11%	4%	100%	30%
T5	Highway 99	NE 99th St	NE 107th St	Regional	67%	24%	3%	4%	2%	100%	26%
T6	NE 99th St	NE 94th Ave	NE 107th Ave	Regional	7%	7%	73%	10%	3%	100%	31%
T7	NE 119th St	NE 50th Ave	NE 72nd Ave	Regional	12%	44%	36%	7%	0%	100%	35%
T8	NE 47th Ave	NE 68th St	NE 78th St	Regional	0%	0%	100%	0%	0%	100%	29%
T9	NE 99th St @ SR 503	Intersection		Regional	1%	5%	75%	19%	0%	100%	32%
T10	NE 10th Ave	NE 154th St	NE 164th St	Regional	5%	80%	3%	5%	7%	100%	41%
C1	Padden Pkwy @ Andresen	Intersection		Regional	30%	9%	61%	0%	0%	100%	27%
C2	Ward Road	NE 88th St	NE 172nd Ave Bridge	Regional	0%	0%	38%	13%	49%	100%	31%
C3	Salmon Ck Ave	WSU Entrance	NE 50th Ave	Regional	6%	65%	10%	9%	9%	100%	39%
C4	NE 119th St	NE 87th Ave	NE 112th Ave	Regional	16%	20%	44%	14%	6%	100%	32%
C5	NE 72nd Ave	NE 122nd St	NE 219th St	Regional	0%	34%	51%	15%	0%	100%	36%
R1	NE 179th St/I-5 Interchange	Delfel	NE 15th Ave	Regional	11%	57%	6%	25%	0%	100%	39%
R2	SCIP Phase 2	NE 134th St	I-205	Regional	12%	77%	6%	5%	0%	100%	40%
R3	NE 182nd Ave @ SR-5001	Intersection		Regional	5%	5%	42%	36%	12%	100%	33%
R4	NE 15th Ave Extension2	NE 179th St	NE 10th Ave	Regional	13%	56%	5%	20%	6%	100%	38%
R5	NE 99th St	NE 107th Ave	SR 503	Regional	0%	0%	71%	14%	14%	100%	31%
R6	NE 10th Ave	NE 149th St	NE 154th St	Regional	6%	79%	4%	4%	6%	100%	41%
R7	NE 179th St@29th Ave & @50th Ave	Intersections		Regional	11%	64%	4%	10%	10%	100%	38%
T4	TSO Projects (5)	Various		UGIP	20%	37%	43%	0%	0%	100%	33%
C6	Urban Arterial Intersections	Various		UGIP	20%	37%	43%	0%	0%	100%	33%
P3	Rural Road Improvement Program			UGIP	0%	0%	0%	63%	37%	100%	36%
P4	Sidewalks and ADA			UGIP	20%	37%	43%	0%	0%	100%	33%
P6	Urban Development Road Prgm			UGIP	20%	37%	43%	0%	0%	100%	33%
P7	Traffic Signal Optimization			UGIP	20%	37%	43%	0%	0%	100%	33%

Source: DKS and County staff, compiled by FCS GROUP.

Abbreviation:UGIP: Unspecified General Improvements and Programs

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Project Capacity Share Calculation, District Scenario 2					Capacity Share Weights						
Minimum Private Share by District					18%	44%	29%	35%			
Project No.	Road	From	To	Project Benefit	Hazel Dell	Mt. Vista	Orchards	Rural	Total	Capacity Share Scenario 2	
T1	NE 119th St	NE 72nd Ave	NE 87th Ave	Regional	16%	22%	44%	18%	100%	32%	
T2	NE 47th Ave @ NE 78th St	Intersection		Regional	47%	7%	39%	7%	100%	26%	
T3	NE 94th Ave	NE Padden Pkwy	NE 99th St	Regional	8%	2%	75%	15%	100%	30%	
T5	Highway 99	NE 99th St	NE 107th St	Regional	67%	24%	3%	6%	100%	26%	
T6	NE 99th St	NE 94th Ave	NE 107th Ave	Regional	7%	7%	73%	13%	100%	30%	
T7	NE 119th St	NE 50th Ave	NE 72nd Ave	Regional	12%	44%	36%	7%	100%	35%	
T8	NE 47th Ave	NE 68th St	NE 78th St	Regional	0%	0%	100%	0%	100%	29%	
T9	NE 99th St @ SR 503	Intersection		Regional	1%	5%	77%	17%	100%	31%	
T10	NE 10th Ave	NE 154th St	NE 164th St	Regional	5%	80%	3%	12%	100%	41%	
C1	Padden Pkwy @ Andresen	Intersection		Regional	30%	9%	61%	0%	100%	27%	
C2	Ward Road	NE 88th St	NE 172nd Ave Bridge	Regional	0%	0%	38%	62%	100%	33%	
C3	Salmon Ck Ave	WSU Entrance	NE 50th Ave	Regional	6%	65%	10%	18%	100%	39%	
C4	NE 119th St	NE 87th Ave	NE 112th Ave	Regional	16%	20%	44%	20%	100%	32%	
C5	NE 72nd Ave	NE 122nd St	NE 219th St	Regional	0%	34%	51%	15%	100%	35%	
R1	NE 179th St/I-5 Interchange	Delfel	NE 15th Ave	Regional	12%	58%	7%	24%	100%	38%	
R2	SCIP Phase 2	NE 134th St	I-205	Regional	13%	81%	6%	0%	100%	40%	
R3	NE 182nd Ave @ SR-5001	Intersection		Regional	5%	5%	42%	48%	100%	32%	
R4	NE 15th Ave Extension2	NE 179th St	NE 10th Ave	Regional	13%	56%	5%	26%	100%	38%	
R5	NE 99th St	NE 107th Ave	SR 503	Regional	0%	0%	71%	29%	100%	31%	
R6	NE 10th Ave	NE 149th St	NE 154th St	Regional	6%	79%	4%	11%	100%	41%	
R7	NE 179th St@29th Ave & @50th Ave	Intersections		Regional	11%	64%	4%	20%	100%	39%	
T4	TSO Projects (5)	Various		UGIP	20%	37%	43%	0%	100%	33%	
C6	Urban Arterial Intersections	Various		UGIP	20%	37%	43%	0%	100%	33%	
P3	Rural Road Improvement Program			UGIP	0%	0%	0%	100%	100%	35%	
P4	Sidewalks and ADA			UGIP	20%	37%	43%	0%	100%	33%	
P6	Urban Development Road Prgm			UGIP	20%	37%	43%	0%	100%	33%	
P7	Traffic Signal Optimization			UGIP	20%	37%	43%	0%	100%	33%	

Source: DKS and County staff, compiled by FCS GROUP.

Abbreviation:UGIP: Unspecified General Improvements and Programs

Project Capacity Share Calculation, District Scenario 3					Capacity Share Weights			
Minimum Private Share by District					29%	35%		
Project No.	Road	From	To	Project Benefit	Urban County	Rural	Total	Capacity Share Scenario 3
T1	NE 119th St	NE 72nd Ave	NE 87th Ave	Regional	83%	17%	100%	30%
T2	NE 47th Ave @ NE 78th St	Intersection		Regional	93%	7%	100%	30%
T3	NE 94th Ave	NE Padden Pkwy	NE 99th St	Regional	85%	15%	100%	30%
T5	Highway 99	NE 99th St	NE 107th St	Regional	94%	6%	100%	30%
T6	NE 99th St	NE 94th Ave	NE 107th Ave	Regional	87%	13%	100%	30%
T7	NE 119th St	NE 50th Ave	NE 72nd Ave	Regional	93%	7%	100%	30%
T8	NE 47th Ave	NE 68th St	NE 78th St	Regional	100%	0%	100%	29%
T9	NE 99th St @ SR 503	Intersection		Regional	83%	17%	100%	30%
T10	NE 10th Ave	NE 154th St	NE 164th St	Regional	88%	12%	100%	30%
C1	Padden Pkwy @ Andresen	Intersection		Regional	100%	0%	100%	29%
C2	Ward Road	NE 88th St	NE 172nd Ave Bridge	Regional	37%	63%	100%	33%
C3	Salmon Ck Ave	WSU Entrance	NE 50th Ave	Regional	82%	18%	100%	30%
C4	NE 119th St	NE 87th Ave	NE 112th Ave	Regional	80%	20%	100%	30%
C5	NE 72nd Ave	NE 122nd St	NE 219th St	Regional	83%	17%	100%	30%
R1	NE 179th St/I-5 Interchange	Delfel	NE 15th Ave	Regional	76%	24%	100%	31%
R2	SCIP Phase 2	NE 134th St	I-205	Regional	100%	0%	100%	29%
R3	NE 182nd Ave @ SR-5001	Intersection		Regional	52%	48%	100%	32%
R4	NE 15th Ave Extension2	NE 179th St	NE 10th Ave	Regional	74%	26%	100%	31%
R5	NE 99th St	NE 107th Ave	SR 503	Regional	71%	29%	100%	31%
R6	NE 10th Ave	NE 149th St	NE 154th St	Regional	89%	11%	100%	30%
R7	NE 179th St@29th Ave & @50th Ave	Intersections		Regional	80%	20%	100%	30%
T4	TSO Projects (5)	Various		UGIP	100%	0%	100%	29%
C6	Urban Arterial Intersections	Various		UGIP	100%	0%	100%	29%
P3	Rural Road Improvement Program			UGIP	0%	100%	100%	35%
P4	Sidewalks and ADA			UGIP	100%	0%	100%	29%
P6	Urban Development Road Prgm			UGIP	100%	0%	100%	29%
P7	Traffic Signal Optimization			UGIP	100%	0%	100%	29%

Source: DKS and County staff, compiled by FCS GROUP.

Abbreviation:UGIP: Unspecified General Improvements and Programs

## Appendix B – Project Costs Summary by District Scenario

Transportation Project Cost Summary, District Scenario 1					
Project No.	Project Road	Total Cost in 2015	County Cost in 2015	Capacity Share	Capacity Costs
<b>Projects with an Identified Location</b>					
T1	NE 119th St	\$ 15,367,000	\$ 9,713,000	32%	\$ 3,104,000
T2	NE 47th Ave @ NE 78th St	1,943,000	919,000	26%	237,000
T3	NE 94th Ave	7,945,000	1,520,000	30%	456,000
T5	Highway 99	9,015,000	5,595,000	26%	1,441,000
T6	NE 99th St	7,684,000	6,167,000	31%	1,892,000
T7	NE 119th St	8,441,000	7,657,000	35%	2,691,000
T8	NE 47th Ave	3,501,000	3,303,000	29%	974,000
T9	NE 99th St @ SR 503	2,325,000	1,281,000	32%	408,000
T10	NE 10th Ave	22,538,000	12,974,000	41%	5,303,000
C1	Padden Pkwy @ Andresen	15,367,000	15,367,000	27%	4,206,000
C2	Ward Road	9,937,000	9,937,000	31%	3,067,000
C3	Salmon Ck Ave	12,396,000	12,396,000	39%	4,830,000
C4	NE 119th St	26,841,000	26,841,000	32%	8,569,000
C5	NE 72nd Ave	30,734,000	30,734,000	36%	11,003,000
R1	NE 179th St/I-5 Interchange	15,367,000	15,367,000	39%	5,959,000
R2	SCIP Phase 2	17,928,000	8,196,000	40%	3,247,000
R3	NE 182nd Ave @ SR-5001	1,024,000	1,024,000	33%	340,000
R4	NE 15th Ave Extension2	7,171,000	1,537,000	38%	584,000
R5	NE 99th St	1,024,000	452,000	31%	140,000
R6	NE 10th Ave	2,151,000	2,151,000	41%	873,000
R7	NE 179th St@29th Ave & @50th Ave	5,122,000	5,122,000	38%	1,967,000
	<b>Subtotal</b>	<b>223,821,000</b>	<b>178,253,000</b>		<b>61,291,000</b>
<b>Unspecified General Improvements and Programs</b>					
T4	TSO Projects (5)	6,270,000	1,537,000	33%	501,000
C6	Urban Arterial Intersections	15,367,000	15,367,000	33%	5,014,000
P3	Rural Road Improvement Program	40,979,000	40,979,000	36%	14,612,000
P4	Sidewalks and ADA	12,294,000	12,294,000	33%	4,011,000
P6	Urban Development Road Prgm	25,612,000	25,612,000	33%	8,356,000
P7	Traffic Signal Optimization	6,147,000	6,147,000	33%	2,006,000
	<b>Subtotal</b>	<b>106,669,000</b>	<b>101,936,000</b>		<b>34,500,000</b>
	<b>Total</b>	<b>\$ 330,490,000</b>	<b>\$ 280,189,000</b>		<b>\$ 95,791,000</b>

**Source:** DKS and County staff, compiled by FCS GROUP.

**Note:** Costs escalated to 2015 costs using Engineering New Record, Seattle Cost Index.

January 2014	January 2015
10,140	10,388

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Transportation Project Cost Summary, District Scenario 2					
Project No.	Project Road	Total Cost in 2015	County Cost in 2015	Capacity Share	Capacity Costs
<b>Projects with an Identified Location</b>					
T1	NE 119th St	\$ 15,367,000	\$ 9,713,000	32%	\$ 3,082,000
T2	NE 47th Ave @ NE 78th St	1,943,000	919,000	26%	236,000
T3	NE 94th Ave	7,945,000	1,520,000	30%	452,000
T5	Highway 99	9,015,000	5,595,000	26%	1,437,000
T6	NE 99th St	7,684,000	6,167,000	30%	1,877,000
T7	NE 119th St	8,441,000	7,657,000	35%	2,670,000
T8	NE 47th Ave	3,501,000	3,303,000	29%	974,000
T9	NE 99th St @ SR 503	2,325,000	1,281,000	31%	397,000
T10	NE 10th Ave	22,538,000	12,974,000	41%	5,326,000
C1	Padden Pkwy @ Andresen	15,367,000	15,367,000	27%	4,206,000
C2	Ward Road	9,937,000	9,937,000	33%	3,271,000
C3	Salmon Ck Ave	12,396,000	12,396,000	39%	4,847,000
C4	NE 119th St	26,841,000	26,841,000	32%	8,502,000
C5	NE 72nd Ave	30,734,000	30,734,000	35%	10,818,000
R1	NE 179th St/I-5 Interchange	15,367,000	15,367,000	38%	5,812,000
R2	SCIP Phase 2	17,928,000	8,196,000	40%	3,249,000
R3	NE 182nd Ave @ SR-5001	1,024,000	1,024,000	32%	332,000
R4	NE 15th Ave Extension2	7,171,000	1,537,000	38%	577,000
R5	NE 99th St	1,024,000	452,000	31%	140,000
R6	NE 10th Ave	2,151,000	2,151,000	41%	877,000
R7	NE 179th St@29th Ave & @50th Ave	5,122,000	5,122,000	39%	1,975,000
	<b>Subtotal</b>	<b>223,821,000</b>	<b>178,253,000</b>		<b>61,057,000</b>
<b>Unspecified General Improvements and Programs</b>					
T4	TSO Projects (5)	6,270,000	1,537,000	33%	501,000
C6	Urban Arterial Intersections	15,367,000	15,367,000	33%	5,014,000
P3	Rural Road Improvement Program	40,979,000	40,979,000	35%	14,353,000
P4	Sidewalks and ADA	12,294,000	12,294,000	33%	4,011,000
P6	Urban Development Road Prgm	25,612,000	25,612,000	33%	8,356,000
P7	Traffic Signal Optimization	6,147,000	6,147,000	33%	2,006,000
	<b>Subtotal</b>	<b>106,669,000</b>	<b>101,936,000</b>		<b>34,241,000</b>
	<b>Total</b>	<b>\$ 330,490,000</b>	<b>\$ 280,189,000</b>		<b>\$ 95,298,000</b>

Source: DKS and County staff, compiled by FCS GROUP.

Note: Costs escalated to 2015 costs using Engineering New Record, Seattle Cost Index.

Transportation Project Cost Summary, District Scenario 3				
Project No.	Project Road	Total Cost in 2015	County Cost in 2015 Capacity Share	Capacity Costs
<b>Projects with an Identified Location</b>				
T1	NE 119th St	\$ 15,367,000	\$ 9,713,000	30% \$ 2,940,000
T2	NE 47th Ave @ NE 78th St	1,943,000	919,000	30% 273,000
T3	NE 94th Ave	7,945,000	1,520,000	30% 458,000
T5	Highway 99	9,015,000	5,595,000	30% 1,657,000
T6	NE 99th St	7,684,000	6,167,000	30% 1,853,000
T7	NE 119th St	8,441,000	7,657,000	30% 2,272,000
T8	NE 47th Ave	3,501,000	3,303,000	29% 967,000
T9	NE 99th St @ SR 503	2,325,000	1,281,000	30% 387,000
T10	NE 10th Ave	22,538,000	12,974,000	30% 3,887,000
C1	Padden Pkwy @ Andresen	15,367,000	15,367,000	29% 4,498,000
C2	Ward Road	9,937,000	9,937,000	33% 3,270,000
C3	Salmon Ck Ave	12,396,000	12,396,000	30% 3,757,000
C4	NE 119th St	26,841,000	26,841,000	30% 8,165,000
C5	NE 72nd Ave	30,734,000	30,734,000	30% 9,299,000
R1	NE 179th St/I-5 Interchange	15,367,000	15,367,000	31% 4,709,000
R2	SCIP Phase 2	17,928,000	8,196,000	29% 2,399,000
R3	NE 182nd Ave @ SR-5001	1,024,000	1,024,000	32% 328,000
R4	NE 15th Ave Extension2	7,171,000	1,537,000	31% 473,000
R5	NE 99th St	1,024,000	452,000	31% 140,000
R6	NE 10th Ave	2,151,000	2,151,000	30% 643,000
R7	NE 179th St@29th Ave & @50th Ave	5,122,000	5,122,000	30% 1,559,000
	<b>Subtotal</b>	<b>223,821,000</b>	<b>178,253,000</b>	<b>53,934,000</b>
<b>Unspecified General Improvements and Programs</b>				
T4	TSO Projects (5)	6,270,000	1,537,000	29% 450,000
C6	Urban Arterial Intersections	15,367,000	15,367,000	29% 4,498,000
P3	Rural Road Improvement Program	40,979,000	40,979,000	35% 14,353,000
P4	Sidewalks and ADA	12,294,000	12,294,000	29% 3,599,000
P6	Urban Development Road Prgm	25,612,000	25,612,000	29% 7,497,000
P7	Traffic Signal Optimization	6,147,000	6,147,000	29% 1,799,000
	<b>Subtotal</b>	<b>106,669,000</b>	<b>101,936,000</b>	<b>32,196,000</b>
	<b>Total</b>	<b>\$ 330,490,000</b>	<b>\$ 280,189,000</b>	<b>\$ 86,130,000</b>

Source: DKS and County staff, compiled by FCS GROUP.

Note: Costs escalated to 2015 costs using Engineering New Record, Seattle Cost Index.

**Appendix C – TIF-Eligible Costs by District**

Project Costs Scenario 1 (Rounded to \$1,000s)							
Project No.	Project Road	Hazel Dell	Mt. Vista	Orchards	Rural 1	Rural 2	Total
T1	NE 119th St	\$ 505,952	\$ 678,534	\$ 1,376,314	\$ 381,171	\$ 162,029	\$ 3,104,000
T2	NE 47th Ave @ NE 78th St	110,395	17,751	91,956	14,291	2,607	237,000
T3	NE 94th Ave	36,389	10,579	340,678	50,798	17,556	456,000
T5	Highway 99	959,130	349,154	44,527	60,090	28,100	1,441,000
T6	NE 99th St	130,926	131,872	1,375,295	193,173	60,733	1,892,000
T7	NE 119th St	328,840	1,193,997	971,182	189,446	7,535	2,691,000
T8	NE 47th Ave	-	-	974,000	-	-	974,000
T9	NE 99th St @ SR 503	5,859	21,522	304,894	75,725	-	408,000
T10	NE 10th Ave	257,196	4,227,552	182,954	255,074	380,225	5,303,000
C1	Padden Pkwy @ Andresen	1,257,596	381,783	2,566,621	-	-	4,206,000
C2	Ward Road	-	-	1,170,508	387,871	1,508,621	3,067,000
C3	Salmon Ck Ave	308,637	3,138,534	506,667	422,625	453,537	4,830,000
C4	NE 119th St	1,382,180	1,745,505	3,731,800	1,196,232	513,283	8,569,000
C5	NE 72nd Ave	-	3,732,270	5,616,634	1,654,096	-	11,003,000
R1	NE 179th St/1-5 Interchange	681,564	3,403,721	381,769	1,491,946	-	5,959,000
R2	SCIP Phase 2	402,010	2,504,829	185,543	154,619	-	3,247,000
R3	NE 182nd Ave @ SR-5001	15,504	18,156	143,888	122,570	39,882	340,000
R4	NE 15th Ave Extension2	74,518	326,222	28,850	119,370	35,040	584,000
R5	NE 99th St	-	-	99,978	20,296	19,726	140,000
R6	NE 10th Ave	52,380	689,932	36,491	38,674	55,523	873,000
R7	NE 179th St@29th Ave & @50th Ave	222,664	1,265,961	82,417	190,406	205,552	1,967,000
	<b>Subtotal</b>	<b>6,731,738</b>	<b>23,837,875</b>	<b>20,212,965</b>	<b>7,018,474</b>	<b>3,489,948</b>	<b>61,291,000</b>
T4	TSO Projects (5)	98,171	187,544	215,285	-	-	501,000
C6	Urban Arterial Intersections	982,499	1,876,934	2,154,567	-	-	5,014,000
P3	Rural Road Improvement Program	-	-	-	9,245,072	5,366,928	14,612,000
P4	Sidewalks and ADA	785,960	1,501,472	1,723,568	-	-	4,011,000
P6	Urban Development Road Prgm	1,637,367	3,127,974	3,590,659	-	-	8,356,000
P7	Traffic Signal Optimization	393,078	750,923	861,999	-	-	2,006,000
	<b>Subtotal</b>	<b>3,897,075</b>	<b>7,444,847</b>	<b>8,546,078</b>	<b>9,245,072</b>	<b>5,366,928</b>	<b>34,500,000</b>
	<b>Total</b>	<b>\$ 10,628,814</b>	<b>\$ 31,282,722</b>	<b>\$ 28,759,042</b>	<b>\$ 16,263,547</b>	<b>\$ 8,856,875</b>	<b>\$ 95,791,000</b>

Source: DKS and County staff, compiled by FCS GROUP.

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Project Costs Scenario 2 (Rounded to \$1,000s)						
Project No.	Project Road	Hazel Dell	Mt. Vista	Orchards	Rural	Total
T1	NE 119th St	\$ 502,366	\$ 673,725	\$ 1,366,559	\$ 539,350	\$ 3,082,000
T2	NE 47th Ave @ NE 78th St	109,929	17,676	91,615	16,780	236,000
T3	NE 94th Ave	36,070	10,486	337,689	67,755	452,000
T5	Highway 99	956,467	348,185	44,260	88,088	1,437,000
T6	NE 99th St	129,888	130,827	1,364,204	252,081	1,877,000
T7	NE 119th St	326,274	1,184,679	963,603	195,444	2,670,000
T8	NE 47th Ave	-	-	974,000	-	974,000
T9	NE 99th St @ SR 503	5,836	21,438	303,705	66,021	397,000
T10	NE 10th Ave	258,311	4,245,887	183,747	638,055	5,326,000
C1	Padden Pkwy @ Andresen	1,257,371	381,715	2,566,914	-	4,206,000
C2	Ward Road	-	-	1,248,683	2,022,317	3,271,000
C3	Salmon Ck Ave	309,723	3,149,581	508,450	879,246	4,847,000
C4	NE 119th St	1,371,373	1,731,857	3,702,621	1,696,149	8,502,000
C5	NE 72nd Ave	-	3,680,107	5,537,189	1,600,705	10,818,000
R1	NE 179th St/I-5 Interchange	676,517	3,378,516	378,361	1,378,606	5,812,000
R2	SCIP Phase 2	422,370	2,631,690	194,940	-	3,249,000
R3	NE 182nd Ave @ SR-5001	15,139	17,729	140,469	158,663	332,000
R4	NE 15th Ave Extension2	73,625	322,312	28,446	152,617	577,000
R5	NE 99th St	-	-	99,978	40,022	140,000
R6	NE 10th Ave	52,620	693,093	36,659	94,628	877,000
R7	NE 179th St@29th Ave & @50th Ave	223,570	1,271,110	82,753	397,568	1,975,000
	<b>Subtotal</b>	<b>6,727,449</b>	<b>23,890,614</b>	<b>20,154,844</b>	<b>10,284,093</b>	<b>61,057,000</b>
T4	TSO Projects (5)	98,171	187,544	215,285	-	501,000
C6	Urban Arterial Intersections	982,499	1,876,934	2,154,567	-	5,014,000
P3	Rural Road Improvement Program	-	-	-	14,353,000	14,353,000
P4	Sidewalks and ADA	785,960	1,501,472	1,723,568	-	4,011,000
P6	Urban Development Road Prgm	1,637,367	3,127,974	3,590,659	-	8,356,000
P7	Traffic Signal Optimization	393,078	750,923	861,999	-	2,006,000
	<b>Subtotal</b>	<b>3,897,075</b>	<b>7,444,847</b>	<b>8,546,078</b>	<b>14,353,000</b>	<b>34,241,000</b>
	<b>Total</b>	<b>\$ 10,624,524</b>	<b>\$ 31,335,461</b>	<b>\$ 28,700,922</b>	<b>\$ 24,637,093</b>	<b>\$ 95,298,000</b>

Source: DKS and County staff, compiled by FCS GROUP.

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Project Costs Scenario 3 (Rounded to \$1,000s)				
Project No.	Project Road	Urban County	Rural	Total
T1	NE 119th St	\$ 2,432,850	\$ 507,150	\$ 2,940,000
T2	NE 47th Ave @ NE 78th St	253,344	19,656	273,000
T3	NE 94th Ave	389,529	68,471	458,000
T5	Highway 99	1,556,254	100,746	1,657,000
T6	NE 99th St	1,604,142	248,858	1,853,000
T7	NE 119th St	2,112,960	159,040	2,272,000
T8	NE 47th Ave	967,000	-	967,000
T9	NE 99th St @ SR 503	321,597	65,403	387,000
T10	NE 10th Ave	3,424,058	462,942	3,887,000
C1	Padden Pkwy @ Andresen	4,498,000	-	4,498,000
C2	Ward Road	1,204,995	2,065,005	3,270,000
C3	Salmon Ck Ave	3,078,110	678,890	3,757,000
C4	NE 119th St	6,533,633	1,631,367	8,165,000
C5	NE 72nd Ave	7,707,941	1,591,059	9,299,000
R1	NE 179th St/I-5 Interchange	3,585,904	1,123,097	4,709,000
R2	SCIP Phase 2	2,399,000	-	2,399,000
R3	NE 182nd Ave @ SR-5001	171,216	156,784	328,000
R4	NE 15th Ave Extension2	348,648	124,352	473,000
R5	NE 99th St	99,764	40,236	140,000
R6	NE 10th Ave	574,070	68,930	643,000
R7	NE 179th St@29th Ave & @50th Ave	1,245,485	313,515	1,559,000
	<b>Subtotal</b>	<b>44,508,501</b>	<b>9,425,499</b>	<b>53,934,000</b>
T4	TSO Projects (5)	450,000	-	450,000
C6	Urban Arterial Intersections	4,498,000	-	4,498,000
P3	Rural Road Improvement Program	-	14,353,000	14,353,000
P4	Sidewalks and ADA	3,599,000	-	3,599,000
P6	Urban Development Road Prgm	7,497,000	-	7,497,000
P7	Traffic Signal Optimization	1,799,000	-	1,799,000
	<b>Subtotal</b>	<b>17,843,000</b>	<b>14,353,000</b>	<b>32,196,000</b>
	<b>Total</b>	<b>\$ 62,351,501</b>	<b>\$ 23,778,499</b>	<b>\$ 86,130,000</b>

Source: DKS and County staff, compiled by FCS GROUP.

**Appendix D – Trip Percentages Used to Calculate TIF District Share**

Transportation Project Cost Summary													
		Percent of Project to Overlay Scenario 1					Percent of Project to Overlay Scenario 2					Percent of Project to Overlay Scenario 3	
Project No.	Project Road	Hazel					Hazel					Urban	
		Dell	Mt. Vista	Orchards	Rural 1	Rural 2	Dell	Mt. Vista	Orchards	Rural	County	Rural	
T1	NE 119th St	16%	22%	44%	12%	5%	16%	22%	44%	18%	83%	17%	
T2	NE 47th Ave @ NE 78th St	47%	7%	39%	6%	1%	47%	7%	39%	7%	93%	7%	
T3	NE 94th Ave	8%	2%	75%	11%	4%	8%	2%	75%	15%	85%	15%	
T4	TSO Projects (5)	20%	37%	43%	0%	0%	20%	37%	43%	0%	100%	0%	
T5	Highway 99	67%	24%	3%	4%	2%	67%	24%	3%	6%	94%	6%	
T6	NE 99th St	7%	7%	73%	10%	3%	7%	7%	73%	13%	87%	13%	
T7	NE 119th St	12%	44%	36%	7%	0%	12%	44%	36%	7%	93%	7%	
T8	NE 47th Ave	0%	0%	100%	0%	0%	0%	0%	100%	0%	100%	0%	
T9	NE 99th St @ SR 503	1%	5%	75%	19%	0%	1%	5%	77%	17%	83%	17%	
T10	NE 10th Ave	5%	80%	3%	5%	7%	5%	80%	3%	12%	88%	12%	
C1	Padden Pkwy @ Andresen	30%	9%	61%	0%	0%	30%	9%	61%	0%	100%	0%	
C2	Ward Road	0%	0%	38%	13%	49%	0%	0%	38%	62%	37%	63%	
C3	Salmon Ck Ave	6%	65%	10%	9%	9%	6%	65%	10%	18%	82%	18%	
C4	NE 119th St	16%	20%	44%	14%	6%	16%	20%	44%	20%	80%	20%	
C5	NE 72nd Ave	0%	34%	51%	15%	0%	0%	34%	51%	15%	83%	17%	
C6	Urban Arterial Intersections	20%	37%	43%	0%	0%	20%	37%	43%	0%	100%	0%	
R1	NE 179th St/I-5 Interchange	11%	57%	6%	25%	0%	12%	58%	7%	24%	76%	24%	
R2	SCIP Phase 2	12%	77%	6%	5%	0%	13%	81%	6%	0%	100%	0%	
R3	NE 182nd Ave @ SR-5001	5%	5%	42%	36%	12%	5%	5%	42%	48%	52%	48%	
R4	NE 15th Ave Extension2	13%	56%	5%	20%	6%	13%	56%	5%	26%	74%	26%	
R5	NE 99th St	0%	0%	71%	14%	14%	0%	0%	71%	29%	71%	29%	
R6	NE 10th Ave	6%	79%	4%	4%	6%	6%	79%	4%	11%	89%	11%	
R7	NE 179th St@29th Ave & @50th Ave	11%	64%	4%	10%	10%	11%	64%	4%	20%	80%	20%	
P3	Rural Road Improvement Program	0%	0%	0%	63%	37%	0%	0%	0%	100%	0%	100%	
P4	Sidewalks and ADA	20%	37%	43%	0%	0%	20%	37%	43%	0%	100%	0%	
P6	Urban Development Road Prgm	20%	37%	43%	0%	0%	20%	37%	43%	0%	100%	0%	
P7	Traffic Signal Optimization	20%	37%	43%	0%	0%	20%	37%	43%	0%	100%	0%	

Source: DKS and County staff, compiled by FCS GROUP.



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## MEMORANDUM

DATE: December 24, 2014  
TO: Matt Hermen, AICP, Clark County  
FROM: Ray Delahanty, AICP; Derek Moore, EIT  
SUBJECT: Clark County TIF Update  
Task 2: Existing TIF and Policy Memorandum

P#14199-000-002

This memorandum summarizes research on the current Traffic Impact Fee (TIF) program in Clark County, WA. This memorandum provides a baseline for any proposed future modifications to the existing TIF process, including a brief history of the existing TIF program as well as an overview of how the program currently operates. It also identifies several ongoing TIF holidays intended to promote new development.

### What is a TIF?

TIFs are a commonly used mechanism for a jurisdiction to fund growth-related transportation facilities. A TIF is paid by a developer on a per unit basis that varies, sometimes per square foot, dwelling, trip incurred or some other measure. The fees are spent on street-related capital projects that typically serve growth, rather than deficiencies such as ongoing maintenance of existing facilities. The fees help offset new pressures on the transportation system induced by the development. Implementation of TIFs differs, with some jurisdictions allowing developers to directly build transportation projects rather than pay the TIF, or do some combination thereof.

Traffic Impact Fees (TIF) are authorized under Washington law (RCW 82.02) to promote orderly growth and development by establishing standards in which counties, cities, and towns may require, by ordinance, that new growth and development pay a share of the cost of the new facilities needed to serve growth and development. That share of the cost, called the “private share,” is collected at the time of new development and is one source of funding for the transportation capital improvement program.

### Clark County TIF Background

Title 40 of Clark County’s Unified Development Code establishes the framework for the collection of impact fees associated with new developments within the County. Clark County’s TIF program is one of three development impact fees described in the Code that are intended to ensure that adequate facilities are available to serve growth and development. Along with traffic impact fees, developers also pay park impact fees and school impact fees.



Clark County adopted transportation impacts fees beginning in 1991. The program was overhauled in 2001, resulting in new code provisions and synchronizing the County's TIF program with the City of Vancouver's TIF program. Traffic Impact Fees were subsequently updated annually from 2001 through 2007. In 2007, Clark County introduced new methodologies and practices in conjunction with adoption of the Comprehensive Growth Management Plan.

In 2009, Clark County and the City of Vancouver executed an Interlocal agreement to jointly administer a TIF program. The joint program established several TIF districts that were representative of growth patterns at that time. Population and employment growth have led to different development patterns between the two jurisdictions, creating the need for separate TIF programs. Since 2012, the City has been working to revise the TIF program used within the city limits. The City is currently near the end of a project that will create a separate TIF program that covers all areas within the City limits. The City's development of a new TIF program has elevated the need for Clark County to revise its existing program.

## Existing Clark County TIF Program

Clark County's existing TIF program operates through the combination of three key components. First, the County has been divided into nine Districts based on geographical and land use characteristics. Second, a list of projects necessary to accommodate growth throughout the County has been assembled and aggregated according to what District they are in. Third, the number of trips generated by a proposed development is used to determine what fee the developer should pay to help cover the costs of future transportation needs in that District. Each of these components is discussed further in the following sections.

### TIF Districts

The nine TIF Districts are shown in Figure 1, although this map does not

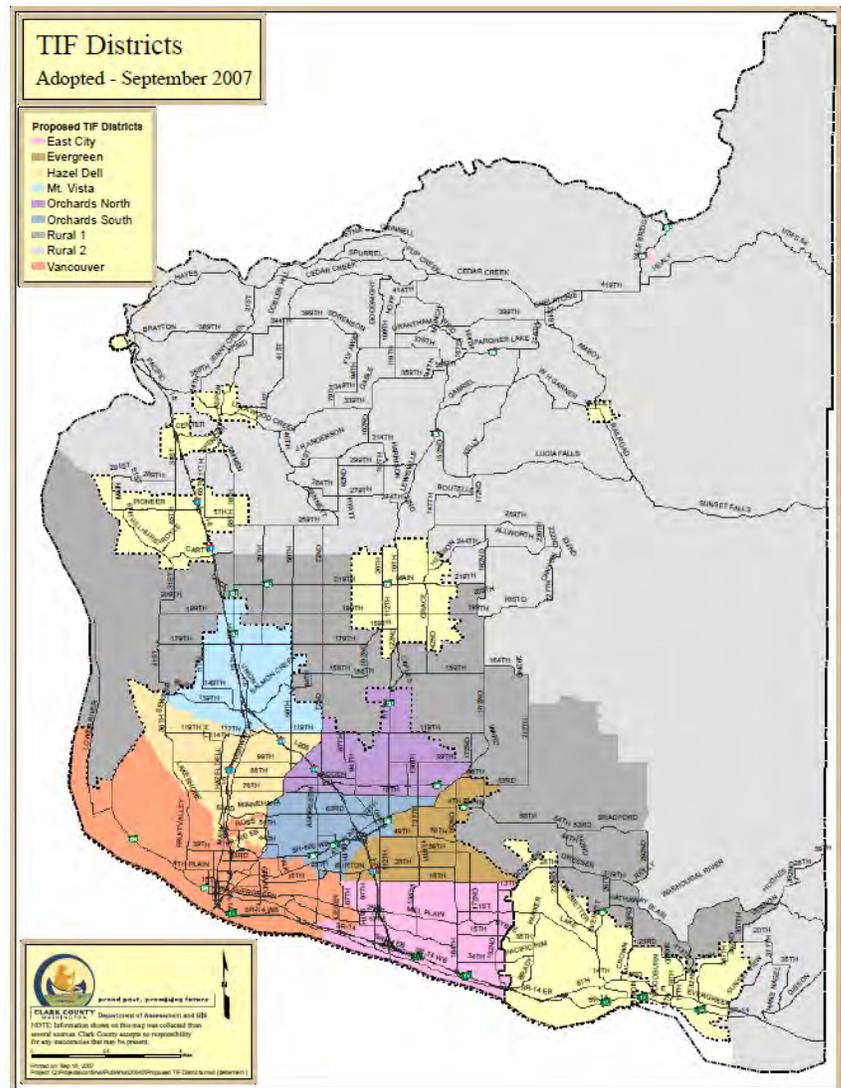


Figure 1: Existing TIF District Map



reflect the recent changes associated with the updated Vancouver TIF program. District lines are based on historical development patterns and land use designations throughout the County. As shown, there are several smaller Districts in the southern portion of the County where the higher development densities are located, in the City of Vancouver and the unincorporated urban areas. Two rural Districts cover most of the northern portion of the County.

## District Fees

The County has identified numerous roadway capacity improvement projects (and associated cost estimates) throughout the County that will be needed to accommodate future growth associated with development. These projects are aggregated based on which District they are in. Some projects (mostly improvements to arterial roads) span multiple Districts, termed “Regional Projects” and their cost is spread throughout multiple Districts. The cost of projects in each District is one component of a formula that is used to determine the Traffic Impact Fee (per trip) that should be charged to new developments in order to fund the “private share” (i.e., share related to future trip growth) of upcoming projects. The 2014 Traffic Impact Fee for each District is shown in Table 1, with the detailed project list included in the appendix.

**Table 1: Traffic Impact Fee Rates**

Traffic Fee Impact District	2014 Fee per Trip <sup>1</sup>
East City	\$351.00
Evergreen	\$412.00
North Orchards	\$553.00
South Orchards	\$389.00
Mount Vista	\$613.00
Hazel Dell	\$375.00
Rural 1	\$315.00
Rural 2	\$52.00

## Trip Generation and Fee Calculation

The current Clark County TIF is based on the application of the Institute of Transportation Engineers (ITE) *Trip Generation Manual* rates for various land uses. The ITE manual is universally recognized as a reference for estimating trip generation rates for various land uses. In addition to trip generation rates and pass-by factors established through the *Trip Generation Manual*, the TIF program incorporates two additional factors that can be used to reduce the TIF payment. The first factor is called a Business Enhancement Factor (BEF) that reduces the TIF payment by 30% for retail and service related businesses. The second factor is a 15% reduction intended

<sup>1</sup> 2014 rates approved per SR 242-14, Ordinance No. 2014-11-03 on November 4, 2014



to reflect the additional tax revenues resulting from the development that can applied to roadway improvements.

The formula for TIF calculation is as follows:

$$TIF = \frac{\text{Size of development by Unit of Measure}}{\text{Unit of Measure}} \times (\text{Daily Trips per Unit of Measure}) \times (\text{Pass-By Factor}) \times (BEF) \times (0.85) \times (\text{Fee per Daily Trip by District})$$

The *Traffic Impact Fee Technical Program Document* contains a full list of land uses, trip generation rates with relevant unit of measure, and pass-by factors to be used in this equation. If an applicant disagrees with the projected trip generation in the ITE trip generation manual, Clark County authorizes supplemental trip generation sample to submitted, subject to authorization by staff.

### Fee Inflation

To account for inflation that occurs between TIF program updates, per trip fee rates are updated annually based on the Engineering News-Record Construction Cost Index (CCI) for Seattle. The TIF program establishes the CCI from the year 2000 as the base year for inflation calculations.

### TIF Credit System

Clark County fulfills the requirement of RCW 82.02.060.4 by offering TIF credits when a developer builds or improves a transportation facility in the Capital Facilities Plan above and beyond what is required for mitigation. TIF credits are applied for after a land use decision receives preliminary approval and the appeal period has expired. TIF credits can be used only for the payment of traffic impact fees in the same TIF district as they were issued. TIF credits can transfer to another party for use in payment of traffic impact fees, upon written request by the credit holder.

The credit system and options for modification will be explored further in a future technical memorandum.

### Highway 99 Overlay Sub-Area

The Highway 99 overlay district was established to help implement the Highway

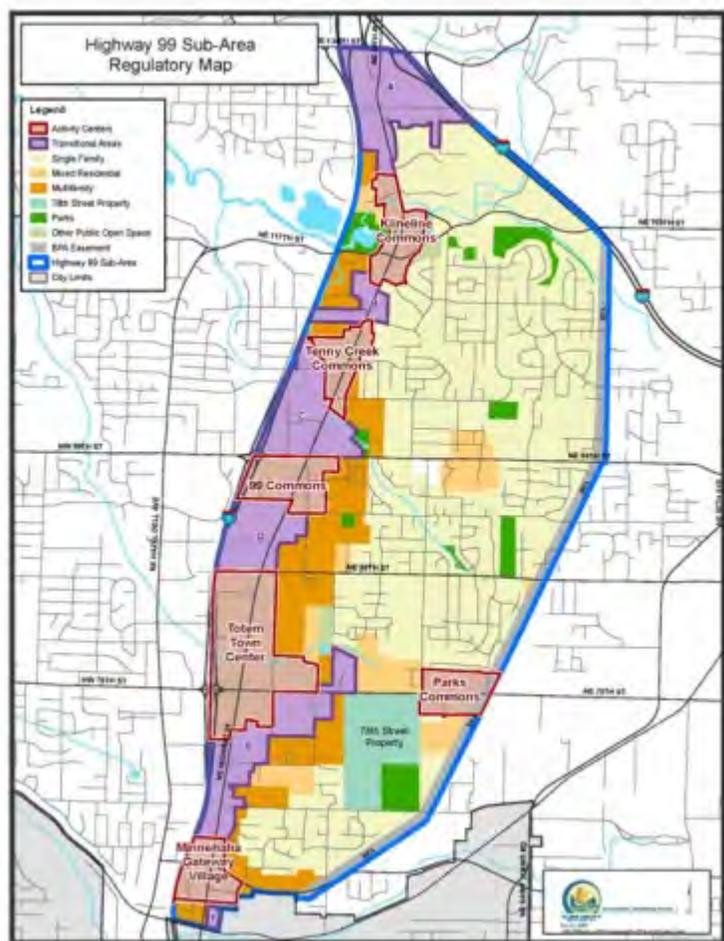


Figure 2: Highway 99 Overlay Zone



99 Sub-Area Plan. An incentive program has been set up to reduce TIF fees in this area for developments that align with the vision to transition this area into a transit-oriented and pedestrian-friendly community. The *Traffic Impact Fee Technical Program Document* outlines each of the five incentives available in this overlay:

- High-frequency transit
- Bike/ped/transit amenities
- Signalization improvements
- Additional 5% BEF
- Designated “Activity” center

Section 40.250.050 of the Clark County Code provides additional information and identifies the properties eligible for these incentives. While these incentives promote resurgence in economic development in the Highway 99 Sub-area, the TIF waiver holiday has temporarily usurped measuring the effectiveness of the overlay zone.

## TIF Waivers

In an effort to promote growth and development, Clark County has temporarily suspended or frozen TIF requirements for various development types since 2010. The following are key changes to fee waivers over the last five years<sup>2</sup>:

- In 2010-2011, Clark County began limited TIF waivers, primarily on tenant improvements, to under-represented industries seeking to locate in specific Focused Public Investment Areas, such as the Salmon Creek Research Park and the Discovery Corridor.
- In 2012-2013, a new board resolution abandoned the criteria regarding under-represented industries and geographic areas, focusing on applicants who could create and maintain for at least two years 15 full-time equivalent (FTE) positions, offering 100 percent waivers to non-retail sales industries, and only 50 percent waivers to retail sales businesses.
- The current fee waiver resolution offers 100 percent fee waivers to all non-residential business applicants that create at least 1 job, regardless of industry, including some non-profit entities, with the exception of businesses relocating within the county. It provides for re-evaluation of the fee waiver program 60 days after the County’s unemployment rate dips below the unemployment rate for Washington State, or at the Board’s discretion.

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<sup>2</sup> Audit of Clark County’s Job Creation – Fee Waiver Program, Clark County Auditor’s Office, November 2014

## Appendix: 2013 TIF Project List

TRAFFIC IMPACT FEE RATES Effective May 31, 2013	
TRAFFIC IMPACT FEE DISTRICT	2013 Fee/Trip
East City	\$ 351.00
Evergreen	\$ 412.00
North Orchards	\$ 735.00
South Orchards	\$ 442.00
Mount Vista	\$ 710.00
Hazel Dell	\$ 487.00
Rural 1	\$ 365.00
Rural 2	\$ 79.00

Clark County Traffic Impact Fee Project List				Estimated Cost Effective 5/31/2013
Location	From	To		
<b>Regional Projects</b>				
<b>119th St Corridor</b>				
NE 119th St	Salmon Crk Ave	NE 72nd Ave	\$	11,134,286
NE 119th St	NE 72nd Ave	NE 117th Ave	\$	24,559,511
NE 119th St	SR-503	NE 172nd Ave	\$	16,078,120
		Subtotal	\$	51,771,917
<b>99th St Corridor</b>				
NE 99th St	NE 94th Ave	NE 117th Ave	\$	7,984,930
NE 99th St	NE 72nd Ave	NE 94th Ave	\$	9,286,227
NE 99th St	NE 117th Ave	NE 137th Ave	\$	6,374,166
NE 99th St / SR503	UH Intersection		\$	2,878,162
NE 99th St	NE 137th Ave	NE 172nd Ave	\$	16,744,077
NE 99th St	St Johns Rd	NE 72nd Ave	\$	13,361,800
		Subtotal	\$	56,629,362
<b>179th St Corridor</b>				
NE 179th St	E of Union Ave	NE 29th Ave	\$	20,228,052
NW 179th St	I-5	NW 11th Ave	\$	15,856,134
NE 179th St	NE 29th Avenue	NE 72nd Ave	\$	31,712,267
NE 179th St	NE 72nd Ave	Cramer Road	\$	17,124,624
NE 179th St	NE Cramer Rd	NE 112th Ave	\$	4,947,114
		Subtotal	\$	89,868,191
<b>72nd Avenue Corridor</b>				
NE 72nd Ave	N of NE 88th St	NE 110th Street	\$	9,557,421
NE 72nd Ave	NE 133rd St	NE 219th St	\$	46,398,328
		Subtotal	\$	55,955,749
<b>137th/142nd Avenue Corridor</b>				
NE 137th / 142nd Ave	NE 119th St	NE 173rd Circle	\$	28,541,041
<b>NE 50th Avenue Corridor</b>				
NE 50th Ave	Lalonde Dr	NE 119th St	\$	9,894,227
NE 50th Ave	NE 119th St	NE 179th St	\$	28,541,041
		Subtotal	\$	38,435,268
<b>Salmon Creek Interchange</b>				
Salmon Creek IC, Ph. I			\$	51,656,003
Salmon Creek IC, Ph. II			\$	29,441,013
		Subtotal	\$	81,097,016
<b>Padden/Andresen Interchange</b>				
Andresen/Padden	Interchange		\$	43,741,058
<b>Padden/SR503 Interchange</b>				
Padden/SR-503	Interchange		\$	10,935,265

Clark County Traffic Impact Fee Project List				
Location	From	To	Adjusted Estimated Cost	
<b>Local Projects</b>				
<b>Mount Vista District</b>				
NE 10th Ave	NE 141st St	NE 149th St	\$	3,618,479
NE 10th Ave	NE 149th St	NE 164th St	\$	13,531,314
NE 134th St Signal Improvements	NE 134th St	corridor	\$	1,366,908
Hwy 99	NE 119th St	NE 129th St	\$	9,513,680
NE 15th Ave	NE 179th St	SR-502	\$	5,517,935
NW 11th Ave	NW 139th St	NW 146th St	\$	9,642,607
NE/NW 199th St	NW 11th Ave	NE 10th Ave	\$	1,850,794
NE 20th/15th Ave	NE 154th St	NE 15th Ave	\$	8,037,419
NE 10th Ave	NE 164th St	Fairgrounds Ent.	\$	3,805,472
NE 29th Ave	NE 134th St	NE 179th St	\$	3,363,687
NE/NW 199th St	NE 10th Ave	NE 72nd Ave	\$	2,663,830
		Subtotal	\$	62,912,125
<b>Hazel Dell District</b>				
Hwy 99	NE 99th St	NE 119th St	\$	17,993,978
NE 88th St	Hwy 99	St. Johns Rd	\$	11,479,841
Hwy 99	South RR Bridge	NE 63rd St	\$	4,592,811
NE 88th St	Hazel Dell Ave	Hwy 99	\$	9,318,376
NE Hazel Dell Ave	NE 99th St	NE 114th St	\$	2,523,859
NW 119th St	NW 7th Ave	NW 16th Ave	\$	8,037,419
		Subtotal	\$	53,946,284
<b>North Orchards District</b>				
NE 88th St	St. Johns	Andresen	\$	6,855,317
NE St Johns Road	NE 50th Ave	NE 72nd Ave	\$	17,052,452
NE 94th Ave	Padden Parkway	NE 119th St	\$	16,071,558
St Johns Rd	NE 68th St	NE 50th Ave	\$	6,867,346
NE 152nd Ave	Ward Rd	NE 99th St	\$	9,513,680
Ward Rd	NE 162nd Ave	NE 182nd Ave	\$	4,756,840
NE Ward Road	NE 172nd Ave	Intersection	\$	9,512,587
		Subtotal	\$	70,629,780
<b>South Orchards District</b>				
St Johns Rd	NE 68th St	NE 50th Ave	\$	6,867,346
NE 47th Ave	NE 68th St	NE 78th St	\$	4,756,840
NE 63rd St	Andresen Rd	I-205	\$	6,261,532
	Miscellaneous City of Vancouver Mall Area Projects		\$	6,178,424
		Subtotal	\$	24,064,142
<b>Rural 1 District</b>				
NE/NW 199th St	NW 11th Ave	NE 10th Ave	\$	1,850,794
NE/NW 199th St	NE 10th Ave	NE 72nd Ave	\$	23,974,474
Ward Rd	NE 162nd Ave	NE 182nd Ave	\$	11,099,294
NE 182nd Ave	NE 159th St	NE 174th St	\$	2,536,981
		Subtotal	\$	39,461,543
<b>Rural 2 District</b>				
<b>General</b>				
Intersection Improvements	Various locations		\$	43,741,058
<b>Total 20 Yr Cost</b>			\$	751,729,799



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## DRAFT MEMORANDUM

DATE: December 24, 2014  
TO: Matt Hermen, AICP, Clark County  
FROM: Ray Delahanty, AICP; Derek Moore, EIT

SUBJECT: Clark County TIF Update  
Task 3: Best Practices Memorandum

P#14199-000-003

This memo summarizes research on the use and effectiveness of different types of trip generation approaches and transportation impact fees (TIFs) from other jurisdictions. A brief review of TIFs used by seven other jurisdictions primarily located in the state of Washington will help guide Clark County in understanding current practices and developing updated fee options. This memo also provides a rate comparison summary for the different programs presented.

### Trip Generation Approaches

As part of TIF calculation, most jurisdictions use a similar approach of applying Institute of Transportation Engineers (ITE) *Trip Generation Manual* rates for varying land uses. The ITE manual is universally recognized as a reference for estimating vehicle trip generation numbers. The manual's procedures consider the new development as a trip attractor, and estimates the number of vehicle trips entering or exiting a site at a given time based on prior observational studies for similar land uses. The rates have been traditionally based on stand-alone uses in suburban settings that fail to account for trip-chaining, alternative modes of travel to reach destinations, location of the development, or other factors that might affect travel behavior. Instead, the ITE manual posts vehicle trip rates as a function of type of development and trips per unit (square foot, dwelling, rooms, etc.), with separate procedures for estimating "pass-by" trips (trips stopping at the land use on the way to somewhere else) and internal trips (trips likely made by walking between adjacent uses). The TIF charge per vehicle trip is determined by each jurisdiction, and is most often based on the projected need for capacity-expanding projects over the life of a capital facilities plan.

In recent years, many jurisdictions have looked at alternative methods for determining trip rates that better fit urban settings. Methods that account for location of the development, surrounding uses, multi-modal travel and other factors have resulted in modified and often lower vehicle trip rates in urban areas. Also, some jurisdictions have added innovative programs to meet their specific transportation goals and needs, such as increasing biking and walking mode shares, encouraging reduced vehicle trips through infill development, or leveraging local funds to meet federal funding matches for large-scale projects. These practices represent ways to create flexibility within development fee schedules.



Some of the successful tools found in a review of other development codes include:

**Using Person-Miles:** The City of Redmond, WA instituted a new way to calculate trips after deciding that ITE trip rates didn't capture the dense mix of land uses and full range of trip types being made by residents in the central city. Instead, they calculate person miles, or mobility units (MU's). Using this model, trip generation is predicted as before, but account also for multiple modes and their impact on transportation needs rather than just motor vehicle capacity.

**Altering traditional LOS standards:** In Bellingham, WA, the City adapted their LOS standards to include more than just volume-to-capacity (v/c) ratios for motor vehicles. They included completeness of pedestrian and bicycle networks as part of their multimodal concurrency standards, and measured LOS by "person-trips available" within a geographic zone. This encourages development in dense, urban areas with more complete networks, helping to avoid situations where motor vehicle capacity issues hinders otherwise desired development.

**Urban Village Credits:** Also in Bellingham, WA, the City reduces transportation fees for developing in designated urban villages, an acknowledgment of the reduction in vehicle trip rates found in dense, multi-use districts. It also creates incentives to use multi-modal facilities to travel in the area by offering reductions for locating on high-frequency transit lines and supporting transit passes. There are also incentives for transportation demand management strategies such as car-sharing or telecommuting.

**Overlay Zones:** In areas where a large capacity project is being built, overlay zones can help generate revenue, raising local funds to match federal or state revenue sources. Portland, OR uses overlay zones, assessing an additional fee for development in the area, and modeling not only the trip generation for that development, but also the percentage of those trips traveled by various modes. The overlay zone fees fund a specified list of projects that serve development throughout the district. Clark County has a Highway 99 Overlay Zone (Clark County Code Section 40.250.050) that provides incentives for transit-oriented and pedestrian-friendly development.

**Credits for Construction/Improvements:** Required by the State of Washington under RCW 82.02.060.4, jurisdictions offer credit towards fees incurred if a developer builds or improves a transportation facility identified in the Capital Facilities Plan. This can be mutually beneficial because projects can be built earlier than they would have otherwise, and developers are pleased that their fees are used on improvements that directly benefit their developments. The downside is that the jurisdiction does lose a degree of flexibility in their funding and construction schedules.

**"Sales Leakage" Traffic Credit:** At least one jurisdiction has studied where residents are spending their dollars, and calculates the trips residents are currently making outside the city to make the purchases. The term for economic activity crossing jurisdictional lines is "sales leakage." When a proposed development falls under the category of uses that result in reduced sales leakage, a portion of TIFs can be reduced in proportion to the sales tax revenue brought in by the development. The interagency partnership within the jurisdiction recognizes the program as a way to provide desired services to residents and divert longer trips outside the jurisdiction. Note



that this type of credit is not cost or impact-based, and the County's Business Enhancement Factor may be another approach that could be used to get similar results.

## Approaches to TIFs in Other Jurisdictions

### Redmond, WA

The City of Redmond uses a typical fee schedule that is contingent upon the land uses, such as the number of dwellings in a residential development or square feet of gross leasable area for free standing retail uses. However, the assumptions about trip generation for the different categories of development are based on a model that is less commonly used by cities. It consists of calculating impacts based on person miles, or mobility units.

#### Using Person Miles

The need for an alternative fee schedule is based on the recognition that the trip generation used to calculate fees is derived from the ITE *Trip Generation Manual*. For the most part, ITE bases its land use types on studies of suburban developments that tend to be supported by little or no transit service, pedestrian or bicycle amenities, or transportation demand management programs. These factors affect travel behavior and modal splits. Redmond and other jurisdictions throughout King County began using person miles, or mobility units (MUs), rather than traditional trip rates when calculating transportation impacts and the associated fees. The process to convert traditional trip rates to MUs is presented in Figure 1.

**Figure 1. Mobility Unit Calculation**

ITE vehicle trip generation rate (p.m. peak hour)

x Percent new trips

x Person-trip conversion (average vehicle occupancy & mode split)

x Average trip length

= Person Mile Rate (mobility units) per Unit of Development

The change to MU's was the result of research in the Multimodal Plan-based Concurrency System Study done in 2009.<sup>1</sup> The research found that person-trips are shorter in dense, mixed-use places that have well developed sidewalk, bicycle and transit networks compared to low-density single-use areas. When places are built with these sorts of characteristics, it reduces the new motor vehicle capacity needed to accommodate the development.

The city operates a database that tracks existing transportation capacity, which they classify as MU supply. When a developer submits a transportation concurrency application prior to a land use approval, they are asked

<sup>1</sup> Redmond Multimodal Plan-Based Concurrency Report, 2009, access at [http://www.redmond.gov/PlansProjects/Transportation/concurrency\\_system\\_update/](http://www.redmond.gov/PlansProjects/Transportation/concurrency_system_update/)



to calculate whether their project will exceed available capacity (MU supply). If it does, the development must be either reduced in size, supplement mitigation by purchasing sufficient MU supply through payment of the TIF, or design and construct transportation facilities that are consistent with the approved Transportation Facility Plan (TFP). The TFP includes programmatic actions to improve mobility, as well as add physical capacity to roadways, but does not include operations maintenance costs. If they choose construction, they receive credits against any required TIFs.

## **Bellingham, WA**

The City of Bellingham began assessing a TIF in 1994 to fund transportation facilities associated with new development and redevelopment. The TIF is assessed by residential unit or square foot, with a base fee of \$1,925 per peak vehicle trip generated by the development. Properties that are redeveloped receive a TIF credit for the highest documented previous use, and charged additional TIF only for newly created trips.

The City has a transportation mode-shift goal, to increase the mode share of pedestrian, bicycle, and transit trips and reduce automobile trips as a percentage of total trips. This includes a near doubling of bike mode share, and tripling of transit share by 2022. They also aspire to promote infill development that has traditionally been constrained by concurrency standards tied to vehicular Level of Service (LOS) requirements. The City pursued both a change in allowable LOS levels on urban arterials, as well as unbundling the adopted LOS from the concurrency calculation. This has provided flexibility in the how the City assesses current and future operations of transportation facilities, and allows them to further encourage development in urban areas while applying TIFs to the multimodal facilities to spread demand across the system.

### **Adapting LOS to Person-Trips and Varying by Neighborhood Type**

With motor vehicle LOS levels reaching the allowable limit during peak hours on an urban arterial, Bellingham planners found themselves unable to approve any new development in the urban core, despite the potential for new trips to be met through walking, biking or transit. The act of expanding capacity on these arterials didn't fit the City's planning goals for infill development and modal shift, so they undertook an intensive study of alternative performance metrics and ways to assess system performance. The City of Vancouver (WA) has implemented similar alternative performance measures in corridors built to "ultimate capacity" (see VMC 11.70.090.B.4).

Bellingham took the step of adopting multimodal concurrency requirements, which considers pedestrian, bicycle, transit and automobile modes and can require mitigation through the construction of sidewalks and bicycle lanes or contributions to transit service whenever development is approved. This strategy complemented the modification of the LOS metric to measure more than vehicle delay or congestion. Rather than using vehicle trips as the unit to be measured, Bellingham adopted an LOS standard of "person trips available by concurrency service area". The standard is based on arterial and transit capacity for motorized modes and on the degree of network completeness for pedestrian modes.

Each concurrency service area (CSA) is based on unique land use patterns and transportation facilities and services available. Bellingham was divided into fifteen different service areas, where the existing network influences the travel behaviors and transportation choices.



**Table 1 Bellingham Multimodal Transportation Concurrency Measurements for Each Mode**

<b>Motorized</b>	<b>Measurement</b>
Automobiles	Arterial volume-to-capacity (v/c) measured during weekday p.m. peak hour based on data collected at designated concurrency measurement points in concurrency service areas
Public Transit	Seated capacity based on bus size and route frequency and ridership based on annual transit surveys measured during weekday p.m. peak hour based on data collected at designated concurrency measurement points for each concurrency service area
<b>Non-motorized</b>	<b>Measurement</b>
Bicycle	Credit person trips according to degree of bicycle network completeness for designated system facilities/ routes for each concurrency service area
Pedestrian	Credit person trips according to degree of pedestrian network completeness for designated system facilities/ routes for each concurrency service area
Trail Use	Credit person trips according to degree of trail network completeness, where trails serve clear transportation function for a concurrency service area

Source: Bellingham Municipal Code 13.70 Multimodal Transportation Concurrency (2008)

Each of the fifteen service areas were then classified as Type 1, 2, or 3. In each type, the different transportation modes are weighted in importance to reflect the land uses and existing transportation network. For example, Type 3 are lower-density, with few multi-modal facilities with high auto dependence, thus the v/c ratio carries more weight in the concurrency calculations.

### Creating a Vibrant Town Center

Type 1 CSAs are defined as “Urban Villages” with adopted master plans. They are classified by a “high percentage of pedestrian and bicycle facilities, high frequency transit service, and higher density land uses with a good mix of services.”<sup>2</sup> Because they host so many travel options, Urban Villages are able to support a higher number of person-trips, improving their LOS and incentivizing new development in areas deemed most appropriate for growth.

Within Urban Villages, developers can reduce transportation impact automatically by 22% to 25% depending on proximity to high-frequency transit routes, and up to 50% by using a variety of voluntary strategies to reduce vehicle trips generated on and off their site. Developers can also propose Transportation Demand Management (TDM) strategies to reduce vehicle trips, but they must be approved by Public Works transportation planners.

<sup>2</sup> “Moving Beyond the Automobile: Multimodal Transportation Planning in Bellingham, Washington”, *Practicing Planner*: Vol. 7, No. 3, September 2009.



Clark County currently offers a menu of trip generation reductions in the Highway 99 Overlay Sub-Area that functions similarly.

**Table 2: Bellingham, WA Trip Reduction Credits**

<b>Menu of Location Factors and Performance Measures to Reduce Vehicle Trips*</b>	<b>Credit</b>
<b>1. Mixed Use Urban Village Location</b>	15%
<i>(Based on ITE Trip Internal Trip Capture- Mixed Use Urban Environment)</i>	
<b>2. WTA Transit Proximity (only one transit proximity reduction may be used)</b>	
Development fronts on a high-frequency WTA GO Line	10%
Development within ¼ mile of WTA Go Line	7%
Development fronts on standard WTA Route (30-60 min)	5%
Development within ¼ miles of standard WTA Route (30-60 min)	2%
<b>3. Employer Mandatory Commitment to Commute Trip Reduction (CTR)</b>	
CTR/ TDM commitment combining economic incentives with transportation services	10%
<b>4. Voluntary Annual WTA Transit Pass Provision (Non-CTR)</b>	
2-year transit pass provided for residential units = 1% per unit pass	1%
2-year transit pass provided for employees = 1% per employee pass	1%
<b>5. Voluntary Car Share Participation or Provision (Non-CTR)</b>	
Car Share Vehicle(s) Parked on Residential or Employment Site = 2% per vehicle	2%
Car Share membership fee provided for residential units = 2% per unit	2%
Car Share membership fee provided for employees = 2% per employee	2%

\*Reductions are additive and may not exceed a total of 50%

City Council has elected to further support these policies by allowing higher levels of peak congestion on local arterials within some designated Urban Villages and when local arterials enter or exit the City. Rather than using LOS failure as a hurdle to infill development, staff have adapted transportation concurrency policies to encourage infill, specifically that LOS should be set to reflect realistic expectations consistent with the achievement of growth aims.

In Bellingham TIFs can only be used for building new arterial streets, sidewalks, bicycle lanes and other physical improvement to the City's multi-modal transportation network. TIFs cannot be used for street maintenance, transportation administration, or transportation demand-management programs, such as car-pooling, incentives for non-auto commuting or additional bus service hours.

Bellingham City Council adopts new TIF charges each year, in conjunction with the adoption of the 6-Year Transportation Improvement Program (TIP). TIFs are calculated based on a rolling twelve year window that includes the cost of transportation projects from the previous six years, as well as the amount programmed for the future six years. The fees are calculated based on 50% of the cost of the improvements to accommodate



new development, with the reasoning that the other 50% of new capacity will be consumed by existing residents, visitors and through traffic.

## Kirkland, WA

The City of Kirkland, WA has a traditional TIF schedule that assesses fees based on transportation impacts from new development or a change in use. In typical fashion, rates are assessed per square foot of floor area in commercial establishments, or per dwelling for residential, and development applications must demonstrate that the development meets concurrency requirements outlined in the City of Kirkland Comprehensive Plan (2004).

Like Bellingham, the City of Kirkland has modified their LOS standards to reflect multimodal goals in addition to mobility measurements. For motor vehicles, the City has developed an aggregated roadway LOS measure that averages the capacity of signalized intersections within a geographic area. Non-motorized level of service is expressed in terms of miles of completed bicycle and pedestrian facilities, as well as number of complete corridors. Underlying this approach is the concept that the system is not considered failing if the peak-hour is congested. This allows the City to continue to accept development applications in its urban centers, where v/c ratios are higher than its areas with more traditionally suburban development patterns.

## University Place, WA

The City of University Place charges for new development, at a rate of \$3,199 per new vehicle trip. When calculating a trip rate for a redevelopment, the developers can look to whatever the highest use in the previous ten years was, and apply a credit for that use (as existing trips) against their future trips. The primary innovation in University Place is the flexibility in how the impact fees are paid. They have three programs to help businesses or developers manage the costs.

- **Payment Deferrals:** the City allows payment of the TIF to be deferred for up to five years. They view this program as similar to a zero-interest loan offered to businesses to aid in their traffic mitigation costs. The TIF payment deferrals should be reviewed for compliance under existing state law.
- **Sales Tax Credit:** Businesses generating new sales tax revenue to the City can receive an additional benefit associated with the TIF in the form of a sales tax credit. Under this program, half of the sales tax generated by a new business will be used to reduce the amount of impact fee owed. This credit can be taken for up to five years. This provides an incentive for sales tax generating uses and creates a partnership between the City and these businesses towards the mitigation of their impacts.
- **“Sales Leakage” Traffic Credit:** Sales statistics show that about two out of every three taxable dollars spent by University Place residents are spent outside the City. To mitigate this “sales leakage”, City regulations allow for a 65 percent TIF reduction with most new retail and restaurant uses, if the specific use is deemed underrepresented in the community. The credit creates incentive for keeping dollars in the community, and shortening trip lengths as well.

## Olympia, WA

TIFs in Olympia are directed toward projects identified in the Capital Facilities Plan (CFP), which identify capacity projects that accommodate future growth. This is required for every TIF in Washington under state law. (RCW



82.02.050(4). The CFP must reflect the infrastructure needs for the community for the next six years.<sup>3</sup> Transportation projects must be in the CFP in order to be impact fee eligible.

The TIF schedule is developed by adjusting the “cost per new trip” information to reflect land use type and geography (either inside or outside the downtown area). Some specified uses inside the downtown boundaries, such as multifamily residences, have significant cost reductions (for example: \$818 per dwelling in downtown versus \$1,994 per dwelling outside downtown).

Credits toward the TIF can be granted for the value of improvements or construction provided by the developer on projects within the City’s adopted CFP. The credit cannot exceed the value of the impact fees that would have been due from the project. Refunds are also available if the impact fees are not spent or encumbered within six years of when the fees were paid. However they must be requested within one year of the date the right to claim the refund arises.

#### **Options for paying TIF:**

1. Pay the amount per the rate schedule.
2. Prior to permitting, submit a request for Director of Community Planning and Development (CP&D) for the City to provide independent fee calculation for you. This involves a \$500 fee for calculation.
3. Submit your own independent fee calculation. The fee for review of this calculation is \$500 plus payment of any review costs (\$500 deposit toward this cost is required).
4. Appeal Process: Prior to an impact fee appeal, the fee payer must first make a Request for Director’s Review on form available from CP&D. This request must be submitted in writing within 14 days of payment of the impact fee at issue.
5. Include in the project proposal Transportation Demand Management (DM) and Commute Trip Reduction (CTR) measures that reduce peak-hour traffic and, thus, reduce the need to build some transportation improvements.

Eligible projects may reduce transportation impact fee assessment by providing actions in the categories of operational improvements, physical improvements, or transportation demand management strategies. This can result in a reduction of up to 20%. The full list is below.

---

<sup>3</sup> Although Olympia retains a six year CFP, state statute now grants cities 10 years to spend impact fees.



Table 3: Eligible Projects for Olympia, WA TIF Reduction

<b>Action</b>	<b>Reduction</b>
<i>Operational Improvements:</i>	
• Installation of centralized Transportation Demand Management (TDM) information center with maintained information	1%
• Commercial development that would be occupied by employees subject to Commute Trip Reduction ordinance or evidence to voluntarily comply with Commute Trip Reduction ordinance	3%
• Installation of parking space that are designated as paid parking (by residents or employees)	3%
• Signage and enforcement designating parking lots to be used for carpool or vanpool parking for non-building occupants	1%
<i>Physical Improvements:</i>	
• Construction of direct walkway connection to the nearest arterial	1%
• Installation of on-site sheltered bus stop or bus stop within ¼ mile of site with adequate walkways as determined by Transportation Division staff	1%
• Installation of bike lockers or employee showers	1%
• Construction of on-site internal walk/ bikeway network that connects to existing City bicycle/pedestrian networks	1%
• Installation of preferential carpool/vanpool parking facilities	2%
• Under-build median parking techniques by at least 20% OR under-build by at least 30 OR under-build by at least 40%	2% or 4% or 7% 10%
• Downtown construction that provides no parking for employees or customers	
<i>Other:</i>	Up to 20% based upon peak-hour trip reductions
• Other operational or physical Transportation Demand Management measures identified by the developer (with supporting documentation)	
<b>Total Maximum Reduction</b>	<b>Up to 20%</b>

## Portland, OR

As legally defined in Oregon, Portland refers to its TIFs as transportation system development charges (TSDCs). TSDCs are applied to new developments, or changes to the building or uses that will result in an increase of more than 15% trips from the previous use. There are baseline TSDC charges based on use type and size, and there are additional programs that can either add to, or reduce the cost of TSDCs.

Some TIF planning concepts used in Portland may be considered when establishing new Clark County TIF policy, though Oregon state laws differ considerably from Washington state laws in reference to TIF.

### SDC Reductions/Exemptions/Transfers:

For a limited time, Transit-Oriented Developments (TOD) were eligible for a reduction of about 15-30%, and projects in the Central City did not qualify. Qualifying projects were located on or near a frequent service bus, streetcar or light rail line, and not auto-related. Additionally, the project must have met minimum density requirements, been located in a commercial zone where no parking was required, no on-site parking was



provided, and had no drive through facilities. The City offered this incentive until the end of 2012, when the TOD reduction expired.

Credits toward SDCs are also available if you build certain types of street improvements, or change the use of an existing building that reduces trips by more than 15 percent. Building a project off the TSDC list of capital projects will entitle the developer to a dollar for dollar credit against any future TSDC. If a developer builds an improvement to an arterial or collector as part of issuing a building permit, any excess capacity they create beyond what is needed for the new development can be credited for future SDCs.

SDCs can be transferred to other parcels or developers for new projects. Projects are exempt from SDCs if they are also subject to a traffic impact fee for Multnomah, Washington, or Clackamas County. Also, remodeling a building without a change in use is exempt, and smaller building footprints have scaled fees. Lastly, low-income housing projects that meet affordability and timeline criteria can also receive exemptions from the fee.

### SDC Overlay Zones:

In some parts of the City where intensive transportation investments are being made, such as new light rail line, overlay zones have been established with additional transportation fees. The overlay is a funding tool to collect local dollars to leverage other state and federal dollars to fully fund the projects within the boundary.

The first overlay was for the North Macadam urban renewal area, and the more recent Innovation Quadrant area uses the same methodology to calculate additional fees. This involves developing a project list within the boundary area, estimating trip growth based on anticipated new development, and calculating eligible project costs due to growth in the overlay area. The calculation involves determining the portion of project costs that are attributable to three modes of travel: motorized, transit, and non-motorized. This results in a cost per person-trip, by mode, which can be multiplied by the specific development's trip generation rate, with the proportion of trips made by each mode varying by development type. Trip ends represent either the origin or destination of a trip. Table 4 demonstrates the per-trip end fee resulting from the methodology. A more detailed table showing fees by land use type can be found in the *Innovation Quadrant TSDC Overlay Project* report.<sup>4</sup>

**Table 4 TSDC Overlay Rates by Mode**

Mode	Cost Eligible for TSDC (\$)	20- Year Growth in Daily Person Trip Ends	TSDC per Daily Person Trip End (\$)	Reduction for Citywide TSDC	TSDC per Daily Person Trip End (\$)
<b>Motorized</b>	\$1,017,634	34,870	\$28	N/A	\$28
<b>Transit</b>	\$10,648,524	22,678	\$470	\$(16)	\$454
<b>Non-Motorized</b>	\$2,899,759	18,977	\$153	N/A	\$153

<sup>4</sup> See <http://www.portlandoregon.gov/transportation/article/340812>



There is a reduction for projects that are also under the Citywide TSDC, so that a development is not charged twice to pay into the same projects. This is why the transit mode has a \$16 credit in the table above, because it's cost has been accounted for in the base TSDC.

**Payment Options:**

Developers can either: (1) pay in full at the time the permit is issued; (2) pay in full at either six, nine, or twelve months from the date of permit issuance with interest (deferral term based on project valuation); or (3) in monthly installments, with interest, over a period of 5 to 20 years. In each circumstance but the first, the City files a priority lien against the subject property to ensure payment.

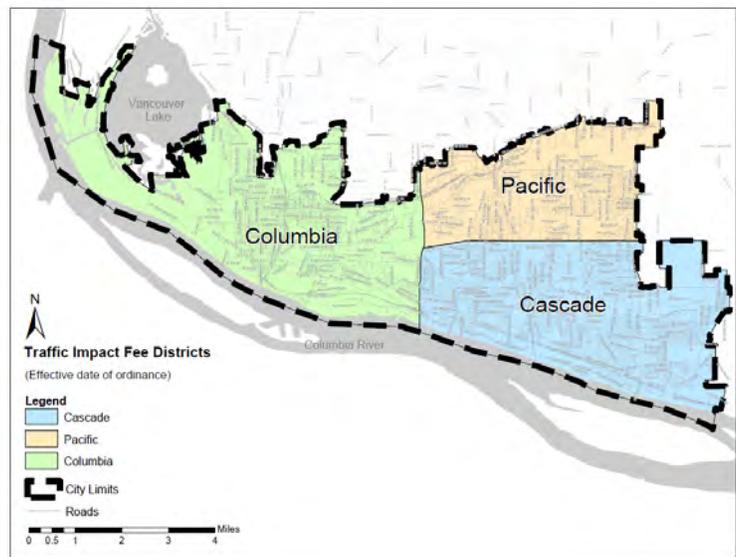
**Vancouver, WA**

Finally, Vancouver, WA, which until recently has operated a joint TIF program with Clark County, is now transitioning to its own program. The program includes three TIF districts, congruent with city limits, as shown in Figure 1. Capital facilities projects are allocated by district, with the trip growth for each district helping to determine each district's TIF rate. District rates as approved by ordinance effective January 1, 2015, are shown in Table 5.

**Table 5: Vancouver District TIF Rates**

District	Rate per ADT
Columbia	\$163
Cascade	\$223
Pacific	\$290

Vancouver's TIF program also includes a Business Enhancement Factor for certain ITE land use codes that are likely to have significant pass-by traffic.



**Figure 1: Vancouver, WA, TIF District System**

**Examples of Fee Schedule Variations**

The methodologies used by different jurisdictions, described in the previous sections, result in somewhat different fee calculations across a variety of land uses. Table 6, below, shows how these jurisdictions compare in their TIF structure.

Table 6 Traffic Impact Fee Variations Across Northwest Cities

Land Use Type	Unit	Redmond	Bellingham (baseline / urban village*)	Kirkland	Olympia (baseline / downtown)	Portland, OR	Vancouver, WA
<b>Single-Family Residence</b>	Dwelling Unit	\$7,024	\$1,925	\$3,942	\$3,073	\$1883	\$1,552-\$2,761
<b>Multi-Family Residence</b>	Dwelling Unit	\$4,312	\$1,117	\$2,311	\$1,994/ \$818	\$1354	\$1,084-\$1,929
<b>Hotel/Motel</b>	Room	\$4,789	\$1,347/ \$673.75	\$2,632	\$2,052/ \$1,521		\$918-\$2,369
<b>Elementary School</b>	Student	\$890	\$3,388/ \$1,694 per employee	\$500	\$181	\$209	\$210-\$374
<b>High School</b>	Student	\$536		\$312	\$181		\$279-\$496
<b>Retail Shopping Center- Up to 99,999 ft<sup>2</sup></b>	Square foot leasable area	\$12.29	\$4.71/\$2.36	\$4.62	\$5.02-\$5.68		\$7.01-\$12.47
<b>Freestanding Retail-Fast Food Restaurant</b>	Square foot leasable area	\$68.83	\$16.33 (no urban village credit)		\$29.42	\$13.88 **	
<b>Freestanding Retail-Supermarket</b>	Square foot leasable area	\$32.70	\$11.68/ \$5.84		\$14.38	\$8.06	\$16.67-\$29.65
<b>Freestanding Retail- Post Office</b>	Square foot leasable area	\$27.59					\$17.63-\$31.38
<b>Administrative Office- Up to 99,999 ft<sup>2</sup></b>	Square foot leasable area	\$18.24	\$2.87/\$1.43		\$10.81/ \$7.02	\$3.33	\$1.80-\$3.20
<b>Administration Office- Medical Office/ Clinic</b>	Square foot leasable area	\$26.61	\$6.87/\$3.44		\$10.83/\$9.47	\$6.64	\$5.89-\$10.48
<b>Industrial Land Uses- Light Industrial/ Manufacturing</b>	Square foot leasable area	\$8.94	\$1.87/ \$0.93		\$3.81		\$1.13-\$2.02
<b>Alternative Impact Fee Structure</b>		Cost per Person Mile of Travel:					\$2,526.91

GFA= Gross Floor Area

GLA= Gross Leasable Area

\*Urban Village Rates are presented with maximum credits used

\*\* Portland provides an estimate for "pizza restaurant" which has more traffic impact than low-turnover restaurants, but may generate fewer trips than "fast food", accounting for the stark fee difference



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## DRAFT MEMORANDUM

DATE: February 12, 2015  
TO: Matt Hermen, AICP, Clark County  
FROM: Ray Delahanty, AICP; Benjamin Chaney, EIT  
SUBJECT: Clark County TIF Update  
Task 4: Stakeholder Interviews

P#14199-000-004

DKS staff conducted five stakeholder interviews in February 2015. The purpose of the interviews was to elicit opinions and feedback on the existing TIF program and potential changes as the program is updated. This memo summarizes the interview results.

### Interview Process and Participants

Participants are members of this project's Stakeholder Advisory Committee and Clark County's Development Engineering Advisory Board (DEAB). The following stakeholders were interviewed:

- Phil Wuest, Attorney with Duggan Schlotfeldt & Welch PLLC
- Chris Brehmer, Engineer with Kittelson & Associates, Inc.
- Jamie Howsley, Land Use Attorney with Jordan Ramis.
- Eric Golemo, Engineer with SGA Engineering.
- Lynda David, Transportation Planner with RTC.

Each interview lasted 30 minutes. Participants were asked:

- How they interact with the TIF program now
- How much they understand about the TIF program today
- What they think is the most important issue we should address in this update
- What is their experience with the credit system
- What other issues they suggest need to be addressed to improve the TIF



## Summary of Input from Interviews

Interview participants represented a variety of perspectives on the TIF program. Themes and highlights from the interviews are summarized below.

### General Program Structure

- There is a general preference for larger and fewer districts. This gives more flexibility to the County to fund big projects, and makes TIF credits more valuable (higher potential to sell or trade) to developers.
- Exemptions, waived fees, and TIF holidays are concerning to many. These make outstanding TIF credits less valuable to credit holders as the pool of potential buyers is reduced, and the exemptions and waivers disproportionately affect different land uses.
- We heard that state law requires exempted TIF fees to be paid from another source, often the general fund. If paid from the general fund, we heard that there should be a mechanism to recoup costs in some way based on development revenue. An alternate approach could be to balance waivers with trip reduction measures that ensure less volume on the transportation system.
- The County should review its funding approach for TIF projects, making use of all legally allowed flexibility to deliver projects sooner (i.e., using TIF funds for full cost of project, not just private share)

### Excess TIF Credit Program

- TIF credits provide appreciated flexibility to developers, but would be more valuable with a brokerage/exchange in place to facilitate sales between developers.
- Latecomer agreements can be administratively burdensome for agency staff and developers, and preclude a TIF credit exchange. Current preference is toward proportional share systems and away from reimbursement systems, which create cash-flow uncertainty for developers.
- The County could consider a Transportation Development Tax and Credit system similar to Hillsboro.

### Developer Transparency and Fairness

- All CFP projects are eligible to receive TIF credits, per Statute. This can have equity impacts for developers, since major-road frontages are often CFP projects while minor-road frontages are not, and more affluent developers are likely to be the ones developing on major-road frontage.
- There is concern of a mismatch between CFP projects and failing intersections that can hinder development – projects that address key concurrency issues should be funded first. Also, a desire to ensure large regional projects are funded by all TIF districts fairly.
- There is concern that fluctuating TIF rates can be unfair to developers, who would like an option to use the lower of two rates (initial application rate & time of development rate).

### Trip Generation

- There are many possible trip generation sources: model trips, ITE rates, ITE equations, and custom trip studies, etc. There was appreciation for a flexible approach to trip generation, but also skepticism of traffic forecasts. Trip generation should be applied uniformly in TIF rate calculations, and acknowledge the mismatch between ITE trip rates and travel demand model trip rates, which tend to be lower.
- County should clarify how changes in use intensity, and therefore trip generation, are handled. Can TIF credits be given for lowering the use intensity of a given parcel?



- Developers would appreciate more TIF fee guidance, especially for multi-tenant developments in mixed-use areas. An online estimator tool would be great.

### **Multimodal Uses**

- There are significant multimodal needs in the County, primarily incomplete sidewalk networks. This is most prominent in Hazel Dell and South Orchards. These “close” projects are more compelling to developers than far-flung regional projects.
- The TIF program should provide funding for multimodal investments, though it may be difficult in rural areas. This evolution to a multimodal (walk/bike/transit) TIF program may be challenging due to County Council political leanings.



## MEMORANDUM

DATE: April 30, 2015  
TO: Matt Hermen, Clark County  
FROM: Ray Delahanty, AICP; Julie Sosnovske, P.E.

SUBJECT: Clark County TIF Update  
Task 5: Redefined Geographic Boundaries Memorandum

P#14199-000-005

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The purpose of this memorandum is to present and evaluate potential new boundary systems for Clark County's Transportation Impact Fee (TIF) program update. The project team has developed three candidate boundary systems and suggested evaluation criteria for selecting a new system. The boundary systems and evaluation results are discussed in the following sections.

### Current Boundary System

In 2009, Clark County and the City of Vancouver executed an Interlocal agreement to jointly administer a TIF program. The joint program established several TIF districts that were representative of growth patterns at that time. Population and employment growth have led to different development patterns between the two jurisdictions, creating the need for separate TIF programs. The City is currently near the end of a project that will create a separate TIF program that covers all areas within the City limits. This has elevated the need for Clark County to revise its existing program, including its TIF District Map, congruent with unincorporated areas of the County.

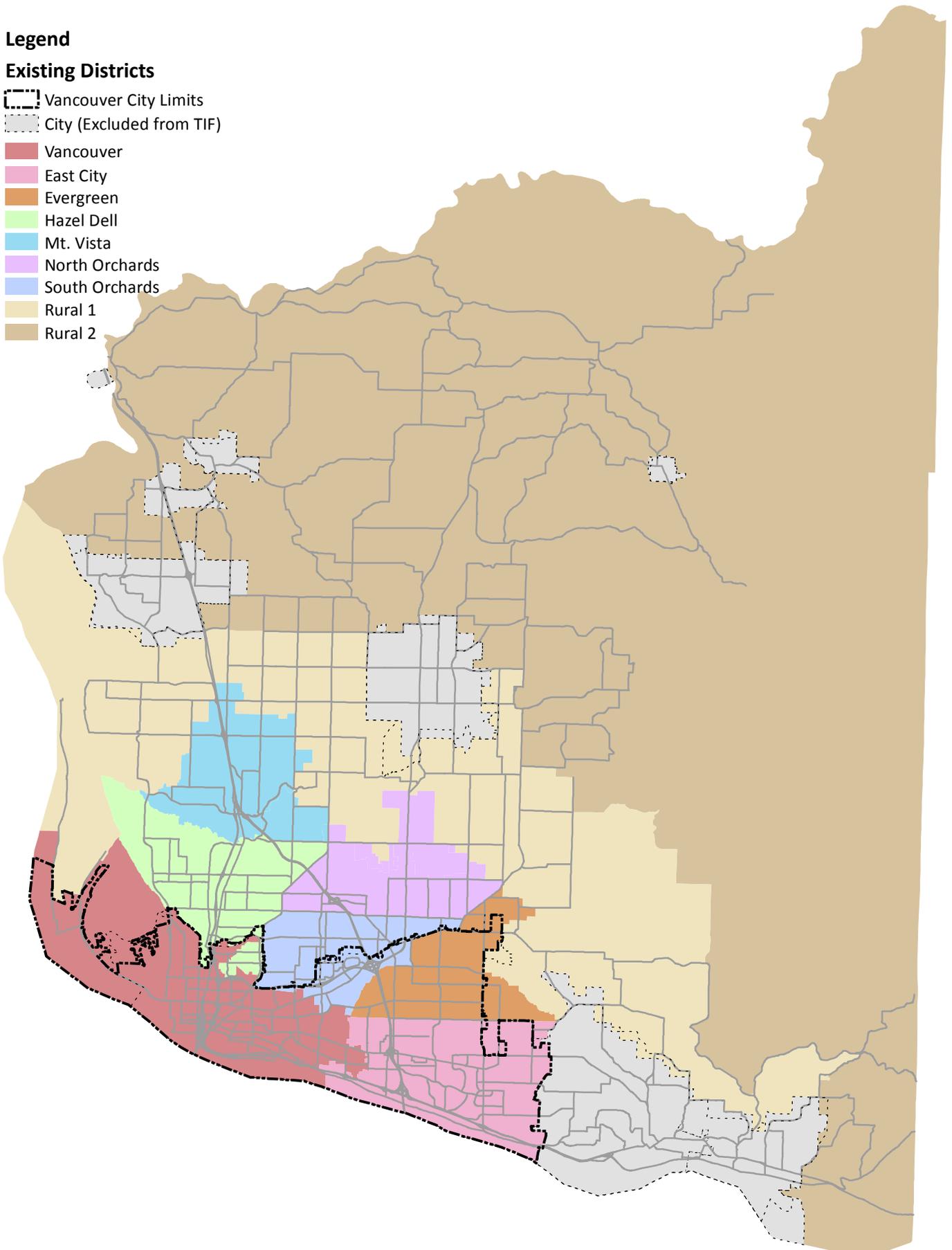
The existing TIF District Map is shown in Figure 1. While this map does not reflect the City's recent changes, it does reflect a starting point for the County's TIF update. District lines are based on historical development patterns and land use designations throughout the County. There are several smaller Districts in the southern portion of the County, closer to urban areas, where there are higher densities of both population and employment. Two rural districts cover most of the northern portion of the County.

The current TIF program operates eight different TIF districts: East City, Evergreen, North Orchards, South Orchards, Mount Vista, Hazel Dell, Rural 1 and Rural 2 (as shown in Figure 1). These districts are loosely based on neighborhoods incorporated over time, but they do not strictly follow City boundaries or other clear jurisdictional delineations for each district. Within each district, there is a different fee, ranging from \$52 to \$613 per new development trip.

**Legend**

**Existing Districts**

-  Vancouver City Limits
-  City (Excluded from TIF)
-  Vancouver
-  East City
-  Evergreen
-  Hazel Dell
-  Mt. Vista
-  North Orchards
-  South Orchards
-  Rural 1
-  Rural 2



**Figure 1: Existing Clark County TIF Districts**



NOT TO SCALE



Developers pay the TIF associated with the district where their project is located. The fee is paid at the time of development permit issuance. Alternatively, developers can fund required transportation improvements in lieu of the TIF, with the following caveats related to the boundary system:

- Different zones pay different rates per trip, which are calculated using typical Institute of Transportation Engineers (ITE) vehicle trip rates
- Developers pay TIF at time of development permits, or they can improve or construct required transportation improvements. If the cost of the project exceeds the TIF cost for the project, the developer can apply for a TIF credit.
- If approved, the TIF credit can be used only for payment of a future TIF (not any other mitigation fee)
- It can only be used within the TIF district it is issued

Each district boundary contains a set of capital projects that are partially funded by TIFs from that district. Per-trip rates for districts that lie at least partially within Clark County are shown in Table 1, below.

**Table 1. Clark County 2014 Traffic Impact Fee Rates**

TIF District	Rate/ Trip
East City	\$351
Evergreen	\$412
North Orchards	\$553
South Orchards	\$389
Mount Vista	\$613
Hazel Dell	\$375
Rural 1	\$315
Rural 2	\$52



## Potential New Boundary Systems

Considering known issues with the existing boundary system and best practices from other jurisdictions, the project team developed three new boundary system concepts for consideration. The three systems are as follows:

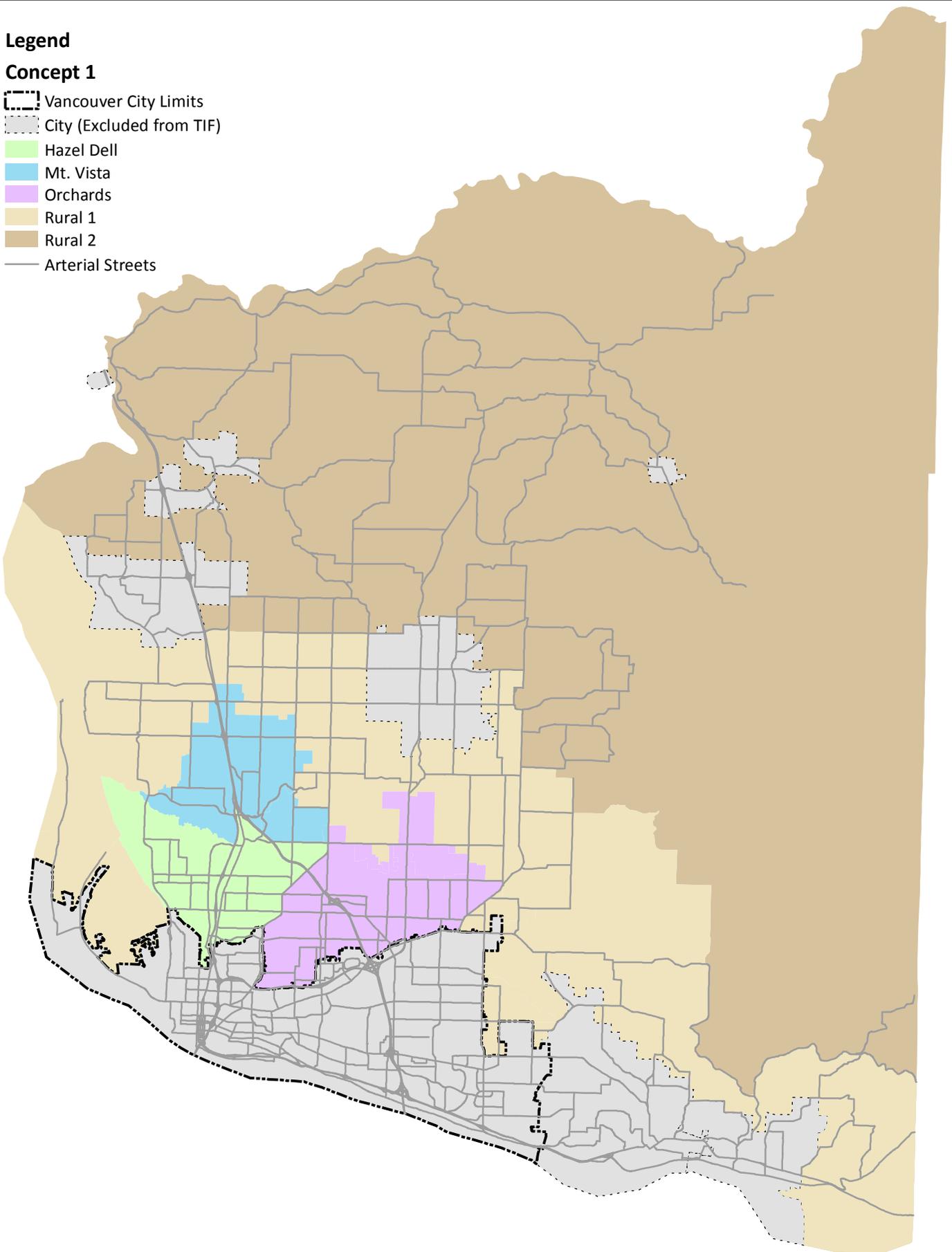
- **Concept 1: Five district system.** All cities within the county were excluded from consideration. Within the County, previous districts were maintained, with the exception of North Orchards and South Orchards, which were combined into a single Orchards district, and Evergreen, the remaining fragment of which was included in Rural 1. Also, the boundary between the Hazel Dell and Mt. Vista districts was redrawn to keep the Highway 99W Overlay intact and associated with the Hazel Dell district. Two rural districts were included, one for properties in the southern portion of the county and one for properties to the north.
- **Concept 2: Four district system.** Same as Alternative 1, with only one Rural district and maintaining the existing boundary between Mt. Vista and Hazel Dell.
- **Concept 3: Two district system.** Similar to Alternative 2, with a single Rural district, but with all other districts combined into a single Urban County district.

The three boundary concepts are shown in Figures 2, 3, and 4. These concepts recognize differences between the more urban portions of the county, closer to Vancouver City limits, and the rural portions of the county, which still have lower development potential and fewer transportation infrastructure needs. The concepts also reflect the County's intention to manage its own TIF system for its own jurisdiction, separate from the City of Vancouver.

**Legend**

**Concept 1**

-  Vancouver City Limits
-  City (Excluded from TIF)
-  Hazel Dell
-  Mt. Vista
-  Orchards
-  Rural 1
-  Rural 2
-  Arterial Streets



**Figure 2: Clark County TIF Districts, Concept 1**

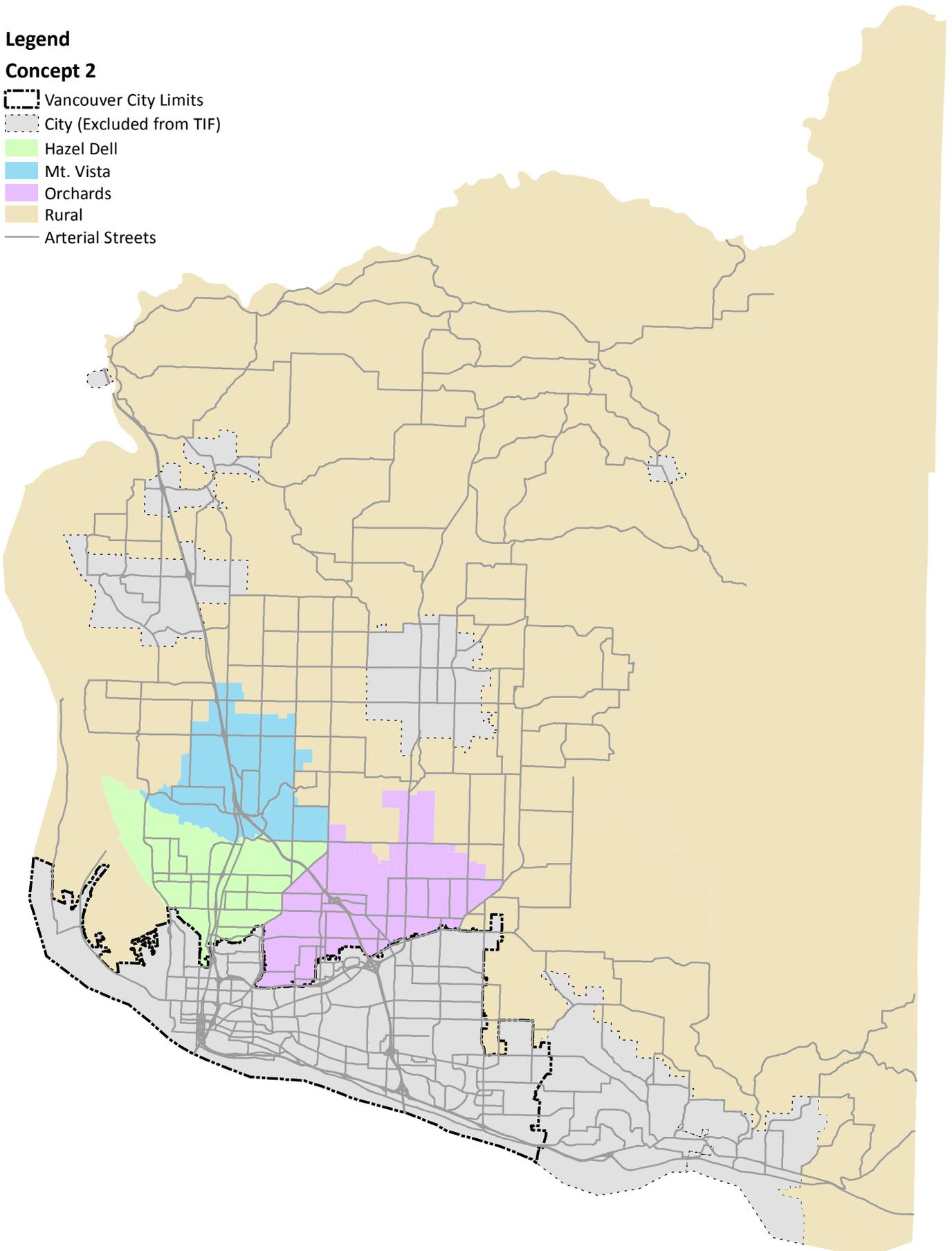


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**Legend**

**Concept 2**

-  Vancouver City Limits
-  City (Excluded from TIF)
-  Hazel Dell
-  Mt. Vista
-  Orchards
-  Rural
-  Arterial Streets



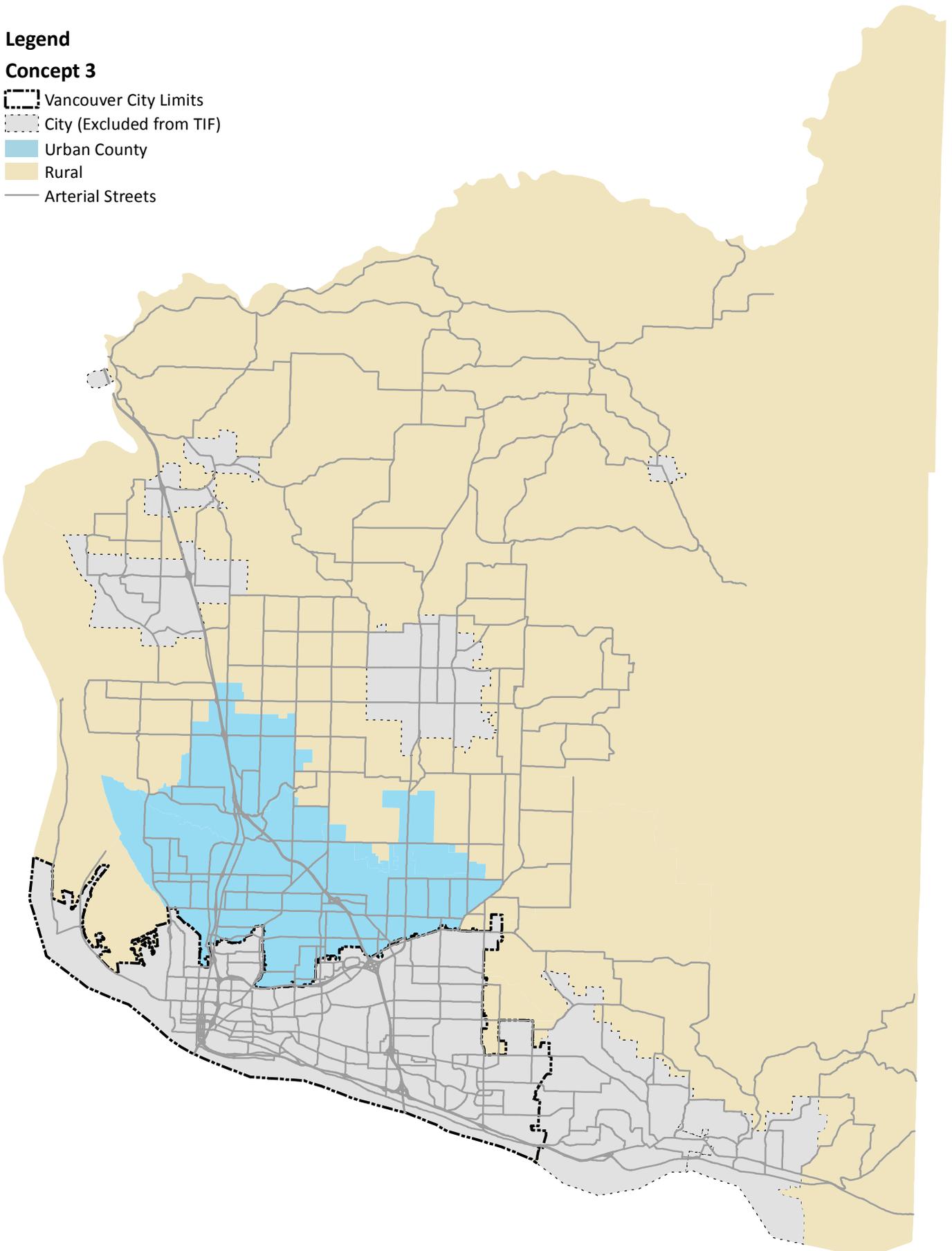
**Figure 3: Clark County TIF Districts, Concept 2**



**Legend**

**Concept 3**

-  Vancouver City Limits
-  City (Excluded from TIF)
-  Urban County
-  Rural
-  Arterial Streets



**Figure 4: Clark County TIF Districts, Concept 3**



NOT TO SCALE



## Criteria for New System

The following criteria were considered as the three boundary concepts were developed, and are used to differentiate between the three concepts in the following sections of this memo.

1. Simple for developers to interpret
2. Simple for County staff to administer
3. Defensible to public
4. Maintains a legal nexus between vehicle trip generation and facilities funded from each district.

Criteria 1 and 2 are straightforward: the fewer districts there are in a system, the easier it is to understand and administer. All concepts perform better than the existing eight-district system.

The criteria related to defensibility and the nexus between trip generation and funding responsibility require more analysis. The analysis related to these two criteria are summarized in the next two sections:

- **Trip Growth Analysis.** This section analyzes the origins and destinations of **new** vehicle trips that are forecast to use the County's transportation network in 2035. This analysis helps to establish, for each of the three concepts, each district's proportionate share of new trips on streets that are part of the County's Capital Facilities Project (CFP) list. Understanding the proportionate share helps to determine whether there is a reasonable nexus for a particular district (under each concept) to be responsible for all of the TIF for a project (a "district" project) or whether TIF should be shared proportionately among all districts (a "regional" project).
- **TIF Rate Analysis.** This section summarizes the potential TIF rates for the different districts under each of the three concepts. The potential rates are compared to current rates, helping to show whether the new rates will be defensible.

### *A Note on Transportation Modeling*

The Southwest Washington Regional Transportation Council (RTC) travel demand models for 2010 and 2035 were used for the analyses. The trip growth analysis model application compares potential boundary systems, and **only includes those projects that exist as links in the RTC model**. The RTC model is the regional model used by all Clark County jurisdictions to forecast future traffic patterns and impacts. The TIF rate analysis considers RTC model information about the new trips generated within each district (including both origins and destinations), and does not consider where these trips travel on the network.



## Trip Growth Analysis

The increment of vehicle trip growth that will use future capacity-related capital projects was evaluated for each district boundary concept. The Southwest Washington Regional Transportation Council (RTC) travel demand models for 2010 and 2035 were used to assess trip growth from various geographic areas affects based on the 2014-2033 CFP list. Vehicle trips from each of the transportation analysis zones (TAZs) in the model were assigned to the proposed district systems, and the “select link” feature from the regional travel demand model (Emme/4) was used to quantify how many of the district trips used each facility. The same analysis was applied for 2010 and for 2035. 2010 results were subtracted from 2035 results, leaving the 25-year growth increment to and from each zone for each CFP project.

County staff provided an annotated project list that specified whether each capacity-related project was to be considered Regional (costs spread among districts proportional to trip growth) or District (cost assigned to a single district). More information on how cost responsibility for each project was calculated can be found in the attachment to this memorandum.<sup>1</sup>

Count staff assigned each District project to the TIF district where it is located under the existing boundary system. Because there are no CFP projects in the remaining fragments of the South Orchards or Evergreen districts, these assignments are equivalent to assignments under the Concept 1 district system. The project list is shown in Table 2 with the Concept 1 district designation where appropriate.

The project assignments under Concept 1 also define their assignments under Concepts 2 and 3 as follows:

- Projects assigned to **Mt. Vista** under Concept 1 are assigned to Mt. Vista under Concept 2 and to Urban under Concept 3
- Projects assigned to **Hazel Dell** under Concept 1 are assigned to Hazel Dell under Concept 2 and to Urban under Concept 3
- Projects assigned to **Orchards** under Concept 1 are assigned to Orchards under Concept 2 and to Urban under Concept 3
- Projects assigned to **Rural 1** under Concept 1 are assigned to Rural under Concepts 2 and 3
- Projects assigned to **Rural 2** under Concept 1 are assigned to Rural under Concepts 2 and 3

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<sup>1</sup> Clark County Traffic Impact Fee Alternatives and Draft Findings, FCS Group, March 6, 2015

**Table 2: CFP (2014-2033) Project Assignments**

Location	From	To	Assigned to
<b>NE 119th Street</b>	NE 72nd Avenue	NE 87th Avenue	Regional
<b>NE 47th Avenue/NE 78th Street</b>	Intersection		Orchards
<b>NE 94th Avenue</b>	NE Padden Parkway	NE 99th Street	Orchards
<b>Highway 99</b>	NE 99th Street	NE 107th Street	Hazel Dell
<b>NE 99th Street</b>	NE 94th Avenue	NE 107th Avenue	Orchards
<b>NE 119th Street</b>	NE 50th Avenue	NE 72nd Avenue	Mt Vista
<b>NE 47th Avenue</b>	NE 68th Street	NE 78th Street	Orchards
<b>NE 99th Street/SR 503</b>	Intersection		Orchards
<b>NE 10th Avenue</b>	NE 154th Street	NE 164th Street	Mt. Vista
<b>Padden Parkway/Andresen</b>	Intersection		Regional
<b>Ward Road</b>	NE 88th Street	NE 172nd Avenue Bridge	Rural 2
<b>Salmon Creek Avenue</b>	WSU Entrance	NE 50th Avenue	Mt. Vista
<b>NE 119th Street</b>	NE 87th Avenue	NE 112th Avenue	Regional
<b>NE 72nd Avenue</b>	NE 122nd Street	NE 219th Street	Regional
<b>NE 179th Street/I-5 Interchange</b>	NE Delfel Road	NE 15th Avenue	Regional
<b>SCIP Phase 2</b>	NE 134th Street	I-205	Regional
<b>NE 182nd Avenue/SR 500</b>	Intersection		Regional
<b>NE 15th Avenue Extension</b>	NE 179th Street	NE 10th Avenue	Mt. Vista
<b>NE 99th Street</b>	NE 107th Avenue	SR 503	Orchards
<b>NE 10th Avenue</b>	NE 149th Street	NE 154th Street	Mt. Vista
<b>NE 179th Street @ 29th Avenue &amp; 50th Avenue</b>	Intersections		Regional

Assigning “District” projects to the Concept 1 districts where they are located allows us to group projects geographically. With five groups of projects (Mt. Vista, Hazel Dell, Orchards, Rural 2, and Regional), we were able to analyze each group and compare the share of new trips to and from each district under each concept.

The following sections list the projects assumed for each of the five groups, and the share of trip growth to and from unincorporated Clark County areas on each group of projects under each concept.



### Project Group 1 (Mt. Vista)

Projects analyzed as part of Group 1 include:

- NE 119<sup>th</sup> Street (NE 50<sup>th</sup> Avenue to NE 72<sup>nd</sup> Avenue)
- NE 10<sup>th</sup> Avenue (NE 154<sup>th</sup> Street to 164<sup>th</sup> Street)
- Salmon Creek Avenue (WSU entrance to NE 50<sup>th</sup> Avenue)
- NE 15<sup>th</sup> Avenue Extension (NE 179<sup>th</sup> Street to NE 10<sup>th</sup> Avenue)
- NE 10<sup>th</sup> Avenue (NE 149<sup>th</sup> Street to NE 154<sup>th</sup> Street)

Table 3 shows the percentage of total trip growth that has an origin and/or destination in each district, under each concept. Nearly two-thirds of the growth in trip ends on these facilities is to and from the Mt. Vista district under Concepts 1 and 2. Because Hazel Dell and Orchards each account for only about 10% of the trips, it may be unreasonable to combine them into the single Urban district in Concept 3.

**Table 3. Group 1 Trip Growth Distribution**

Concept 1	% of Growth	Concept 2	% of Growth	Concept 3	% of Growth
<b>Mt. Vista</b>	64%	<b>Mt. Vista</b>	65%	<b>Urban</b>	85%
<b>Hazel Dell</b>	9%	<b>Hazel Dell</b>	8%	<b>Rural</b>	15%
<b>Orchards</b>	12%	<b>Orchards</b>	12%		
<b>Rural 1</b>	9%	<b>Rural</b>	15%		
<b>Rural 2</b>	6%				

Source: DKS Associates



## Project Group 2 (Hazel Dell)

Group 2 is comprised of a single project in the Hazel Dell area:

- Highway 99 (NE 99<sup>th</sup> Street to NE 107<sup>th</sup> Street)

Table 3 shows the percentage of total trip growth that has an origin and/or destination in each district, under each concept. Under Concept 1, over two-thirds of the growth in traffic is attributable to Hazel Dell. Concept 2 includes a slightly larger Mt. Vista District that encompasses some of the Highway 99 Overlay area. This concept splits the traffic growth more evenly between Hazel Dell and Mt. Vista, weakening the rationale for making the Highway 99 project a Hazel Dell District project.

There is little basis for assigning cost responsibility to Orchards (as would occur under Concept 3) or the rural areas, as they contribute less than 5% each to the growth in trips.

**Table 4. Group 2 Trip Growth Distribution**

Concept 1	% of Growth	Concept 2	% of Growth	Concept 3	% of Growth
<b>Mt. Vista</b>	24%	<b>Mt. Vista</b>	32%	<b>Urban</b>	94%
<b>Hazel Dell</b>	67%	<b>Hazel Dell</b>	59%	<b>Rural</b>	6%
<b>Orchards</b>	3%	<b>Orchards</b>	3%		
<b>Rural 1</b>	4%	<b>Rural</b>	6%		
<b>Rural 2</b>	2%				

Source: DKS Associates



### Project Group 3 (Orchards)

Projects<sup>2</sup> analyzed as part of Group 3 include:

- NE 94th Avenue (NE Padden Parkway to NE 99th Street)
- NE 99th Street (NE 94th Avenue to NE 107th Avenue)
- NE 99th Street/SR 503
- NE 99<sup>th</sup> Street (NE 107<sup>th</sup> Avenue to SR 503)

Table 3 shows the percentage of total trip growth that has an origin and/or destination in each district, under each concept. Orchards is responsible for nearly three-quarters of the trip growth under Concepts 1 and 2, with the other urban districts contributing under 5% each.

There may be rationale for sharing cost with Rural 1 for at least one of these projects. Under Concept 1, about 20% of the traffic growth at NE 99<sup>th</sup> Street/SR 503 is from Rural 1.

**Table 5. Group 3 Trip Growth Distribution**

Concept 1	% of Growth	Concept 2	% of Growth	Concept 3	% of Growth
<b>Mt. Vista</b>	4%	<b>Mt. Vista</b>	4%	<b>Urban</b>	81%
<b>Hazel Dell</b>	3%	<b>Hazel Dell</b>	3%	<b>Rural</b>	19%
<b>Orchards</b>	74%	<b>Orchards</b>	74%		
<b>Rural 1</b>	16%	<b>Rural</b>	19%		
<b>Rural 2</b>	3%				

Source: DKS Associates

<sup>2</sup> NE 47<sup>th</sup> Avenue is not part of the RTC model network, so two CFP Projects, NE 47<sup>th</sup> Avenue (NE 68<sup>th</sup> Street to NE 78<sup>th</sup> Street) and the NE 47<sup>th</sup> Avenue/NE 78<sup>th</sup> Street Intersection, are not part of the 2035 RTC model network, and was not analyzed.



### Project Group 4 (Rural 2)

Group 4 is comprised of a single project in the Rural 2 area:

- Ward Road (NE 88th Street to NE 172nd Avenue Bridge)

Table 3 shows the percentage of total trip growth that has an origin and/or destination in each district, under each concept. Rural 2 is responsible for over half of the trip growth, but a significant amount (about 40%) comes from Orchards as well. This analysis may not support assigning 100% of cost responsibility to the Rural or Rural 2 district.

**Table 6. Group 4 Trip Growth Distribution**

Concept 1	% of Growth	Concept 2	% of Growth	Concept 3	% of Growth
<b>Mt. Vista</b>	-1%	<b>Mt. Vista</b>	-2%	<b>Urban</b>	38%
<b>Hazel Dell</b>	-1%	<b>Hazel Dell</b>	-1%	<b>Rural</b>	62%
<b>Orchards</b>	40%	<b>Orchards</b>	40%		
<b>Rural 1</b>	10%	<b>Rural</b>	62%		
<b>Rural 2</b>	52%				

Source: DKS Associates



### Project Group 5 (Regional)

Projects analyzed as part of Group 5 are considered regional in nature due to facility size and dispersal of trip ends, and include:

- NE 119<sup>th</sup> Street (NE 72<sup>nd</sup> Avenue to NE 87<sup>th</sup> Avenue)
- Padden Parkway/Andresen Intersection
- NE 119<sup>th</sup> Street (NE 87<sup>th</sup> Avenue to NE 112<sup>th</sup> Avenue)
- NE 72<sup>nd</sup> Avenue (NE 122<sup>nd</sup> Street to NE 219<sup>th</sup> Street)
- NE 179<sup>th</sup> Street/I-5 Interchange
- Salmon Creek Interchange Project (SCIP) Phase 2
- NE 179<sup>th</sup> Street Intersections at NE 29<sup>th</sup> Avenue and NE 50<sup>th</sup> Avenue

Table 3 shows the percentage of total trip growth that has an origin and/or destination in each district, under each concept. For Regional projects, the percentages of growth from each district are used to assign a proportionate share of cost responsibility to each district.

For the urban districts, under Concepts 1 and 2, the percentage share of trip growth ranges from 14% (Hazel Dell) to 43% (Mt. Vista). This disparity in trip growth may not support combining the districts into a single Urban district under Concept 3.

For the rural districts, there is a significant difference in trip growth between Rural 1 (13%) and Rural 2 (2%). This may not support combining the two into a single Rural district, as under Concepts 2 and 3.

**Table 7. Group 5 Trip Growth Distribution**

Concept 1	% of Growth	Concept 2	% of Growth	Concept 3	% of Growth
<b>Mt. Vista</b>	43%	<b>Mt. Vista</b>	43%	<b>Urban</b>	85%
<b>Hazel Dell</b>	14%	<b>Hazel Dell</b>	14%	<b>Rural</b>	15%
<b>Orchards</b>	28%	<b>Orchards</b>	28%		
<b>Rural 1</b>	13%	<b>Rural</b>	15%		
<b>Rural 2</b>	2%				

Source: DKS Associates

## Trip Growth Analysis Summary

For this analysis, the five CFP project groups were kept constant, and new vehicle trips on these facilities were consistent among all boundary concepts. The only differences were in how the origins and destinations of those trips were associated with districts under each concept.

Generally, when there is a high correlation between a district's share of trip growth on a project and the district's TIF responsibility, a nexus is achieved. In analyzing trip growth in the five project groups, we found that consolidating smaller districts into larger ones often weakens this nexus. This is because consolidation often means two or more geographic areas will have the same cost responsibility for a CFP project despite contributing significantly different shares of traffic growth on the project. Table 8, below, summarizes how well each concept fares in aligning TIF responsibility with where trip growth is occurring. As a rough approximation, a concept fares well if it assigns "District" (Group 1-4) projects to the district where a majority of the trip growth originates. It also fares well if it does not weaken nexus by combining smaller districts that contribute little to trip growth.

**Table 8: Summary: Strength of Trip Growth Correlation Between Districts and Project Groups**

Project Group	Concept 1 Six Districts	Concept 2 Five Districts	Concept 3 Two Districts
Group 1	+	+	-
Group 2	++	+	-
Group 3	++	++	-
Group 4	+	-	-
Group 5	++	-	-
Overall	++	+	-

Source: DKS Associates

- ++ Over 2/3 of trip growth attributable to district where project is located and combining districts does not weaken nexus
- + Over 1/2 of trip growth attributable to district where project is located and combining districts does not weaken nexus
- Combining districts weakens nexus between share of trip growth and TIF responsibility

Concept 1 performs best across the board in maintaining nexus. Concept 2, in combining the two Rural districts, may weaken the nexus as Rural 1 and Rural 2 contribute significantly differently to trip growth for the Group 4 and Group 5 projects. **This effect may be minor**, however: if the two districts were combined, Rural 1&2 would pay disproportionately for the Ward Road project, and Rural 2 would pay disproportionately for the Regional projects, with the result being an overall achievement of nexus. Concept 1 also appears to perform slightly better for Group 2 due to including the Highway 99 Overlay completely within Hazel Dell.

Concept 3 performs poorly in terms of nexus, as it does not reflect the significant differences in trip growth that are seen in Concepts 1 and 2, particularly between the urban districts.



## TIF Rate Analysis

In addition to the trip growth analysis, the potential TIF rate for the different districts under each boundary concept was analyzed as well, and is shown in Table 9. The full documentation of this calculation is included in the Clark County Traffic Impact Fee Scenarios memorandum included in the appendix.

**Table 9: TIF Rate Calculation Summary**

Concept 1	Potential TIF Rate per ADT	Concept 2	Potential TIF Rate per ADT	Concept 3	Potential TIF Rate per ADT	Existing	TIF Rate
Mount Vista	\$436	Mount Vista	\$420	Urban	\$327	Mount Vista	\$613
Hazel Dell	\$283	Hazel Dell	\$287			Hazel Dell	\$375
Orchards	\$349	Orchards	\$344			N. Orchards	\$553
						S. Orchards	\$389
Rural 1	\$282	Rural	\$269	Rural	\$262	Rural 1	\$315
Rural 2	\$265					Rural 2	\$52

Source: FCS Group

The TIF rate analysis shows that Concept 2 provides the most equitable TIF rate structure, with the least spread between the highest and lowest rates and the most similarity to the rate structure as it applies currently. The rate analysis may also show support combining the Rural 1 and Rural 2 districts and/or reconsidering how the Ward Road project is allocated, as all concepts would show a marked rate increase for outlying rural areas (Rural 2).



## Summary

A summary of the boundary system evaluation is shown in Table 10, below. The following are the key findings regarding the boundary system criteria:

- All three concepts provide boundary systems that are redrawn at the Vancouver city limits and are simpler than the existing boundary system, with fewer districts to administer, providing ease of interpretation and administration.
- Trip growth analysis shows that Concept 1 provides the best geographic fit between trip growth and TIF responsibility. This concept maintains five districts and is most similar to the existing district structure. Analysis showed that combining urban or rural districts weakens the nexus between trip growth and TIF responsibility, and showed that containing the Highway 99 Overlay into Hazel Dell provides a better nexus for Hazel Dell projects.
- TIF rate analysis shows that Concept 2 provides the most equitable rate structure, with the least spread between the highest and lowest rates and closest relationship to the current rates.

**Table 10: Evaluation Summary**

Criteria	Concept 1	Concept 2	Concept 3
<b>Simple for developers to interpret</b>	++	++	++
<b>Simple for County staff to administer</b>	++	++	++
<b>Maintains nexus between use and funding</b>	++	+	-
<b>Defensible to the public</b>	+	++	-

Source: DKS Associates

In formulating a recommended concept, the County may wish to consider the following in order to incorporate the best aspects of Concepts 1 and 2:

- Including all of the Highway 99 Overlay in the Hazel Dell district.
- Combining the Rural districts, understanding that overall nexus may be achieved given Rural 1’s higher proportion of growth on Regional projects and Rural 2’s higher proportion of growth on the Ward Road project.



## **Appendix**

### **FCS Group Memorandum: Clark County Traffic Impact Fee Rate Scenarios and Draft Findings**

**To:** Ray Delahanty, AICP, DKS Associates **Date:** April 23, 2015  
**From:** Todd Chase and Anthony Martin, FCS GROUP  
**CC:** Matt Hermen, Clark County  
**RE:** Clark County Traffic Impact Fee Rate Scenarios and Draft Findings with project costs allocated to districts based on trips

## 1. PURPOSE

The purpose of this memorandum is to describe the Clark County (County) Traffic Impact Fee (TIF) scenarios that have been developed and refined during the 2015 TIF update work now underway.

There are three scenarios for the Clark County TIF district boundaries, listed below.

- ◆ Scenario 1 (five districts): Hazel Dell, Mt. Vista, Orchards, Rural 1, and Rural 2.
- ◆ Scenario 2 (four districts): Hazel Dell, Mt. Vista, Orchards, and Rural.
- ◆ Scenario 3 (two districts): Urban County and Rural.

Each district contains specific trip growth rates, assumptions, and project costs which will be examined below.

The process of updating the TIF Program Administration is scheduled for July, 2015. The 2015 TIF program update that is now in process is based on the existing adopted Comprehensive Growth Management Plan; the 2007 Comprehensive Plan with approved amendments. Clark County is also currently in the process of updating its Comprehensive Growth Management Plan. The Plan update is scheduled for adoption in June, 2016. If the Comprehensive Plan update requires changes to the Capital Facilities Plan and growth assumptions, the County's TIF rates may need to be adjusted subsequently.

## 2. PRIVATE SHARE CALCULATIONS

The "private share" is the amount of future local capacity costs required to accommodate planned growth within the County; and as such serves as the eligible cost basis for the TIF program. In order to analyze the TIF district scenarios and related fees, the minimum private share for each district was determined using the data from the Clark County transportation model, County staff, and DKS Associates. The private share is calculated as the change in P.M. Peak Hour Trip-Ends (PMPHTs) for each district from 2015 to 2035 over district PMPHTs in 2035.

### A. GROWTH IN TRIPS AND MINIMUM PRIVATE SHARE

**Exhibit 1** shows the projected growth in PMPHTs for district scenarios 1, 2, and 3. For each scenario, the amount of PMPHTs is estimated for 2010, 2015, and projected for year 2035. The growth from 2015 to 2035 serves as the denominator in the TIF calculation. The minimum private share for each district and scenario is shown in **Exhibit 1**.

**Exhibit 1: Growth Assumptions**

Growth in PM Peak Hour Trips						
District	2010	Proj. 2035	CAGR	Est. 2015	New PMPHTs from 2015 to 2035	Minimum Private Share
<b>District Scenario 1</b>						
Hazel Dell	16,244	20,831	1.00%	17,073	3,758	18%
Mt. Vista	7,956	16,371	2.93%	9,191	7,180	44%
Orchards	18,056	27,947	1.76%	19,705	8,242	29%
Rural 1	7,947	14,752	2.51%	8,993	5,759	39%
Rural 2	7,197	11,207	1.79%	7,863	3,343	30%
<b>Total</b>	<b>57,400</b>	<b>91,107</b>	<b>1.87%</b>	<b>62,825</b>	<b>28,282</b>	<b>31%</b>
<b>District Scenario 2</b>						
Hazel Dell	15,448	19,884	1.01%	16,248	3,636	18%
Mt. Vista	8,752	17,318	2.77%	10,032	7,286	42%
Orchards	18,056	27,947	1.76%	19,705	8,242	29%
Rural	15,143	25,959	2.18%	16,867	9,092	35%
<b>Total</b>	<b>57,400</b>	<b>91,107</b>	<b>1.87%</b>	<b>62,851</b>	<b>28,256</b>	<b>31%</b>
<b>District Scenario 3</b>						
Urban County	42,256	65,148	1.75%	46,078	19,070	29%
Rural	15,143	25,959	2.18%	16,867	9,092	35%
<b>Total</b>	<b>57,400</b>	<b>91,107</b>	<b>1.87%</b>	<b>62,945</b>	<b>28,162</b>	<b>31%</b>

**Source:** Clark County transportation model, analysis by DKS Associates and County staff, compiled by FCS GROUP. **Abbreviations:** CAGR - compound annual growth rate; PMPHTs - P.M. peak hour trips.

## B. CAPACITY NEED FOR GROWTH AND PROJECT COSTS

County staff and DKS Associates created a project list with estimates of total project costs, County costs after accounting for non-local funding sources, and district benefit for each project based on expected vehicle trips by district. The project list was divided into two types of projects: projects with specified locations (SL) and unspecified general improvements and programs (UGIP). SL projects have an identified location and provide benefit for TIF district as specified by DKS Associates. UGIP projects are programmatic and benefit a category of districts. All UGIP projects benefit urban districts (Hazel Dell, Mt. Vista, and Orchards districts) or rural districts (Rural 1, or Rural 2).

In order to derive the capacity share (TIF-eligible costs) for each project, we considered project benefit along with expected vehicle trips on the project by each district. The project capacity cost is calculated in one of two ways for each project:

- ◆ If the project had a specific location, the capacity share is calculated as the weighted average of the minimum private shares of each benefitting district multiplied by the County costs. Weights are derived from the estimated allocation of expected vehicle trips on each project/program by each district.
- ◆ For programmatic UGIP improvements (such as transportation system operations and traffic signal optimization), the capacity share was the weighted sum of the percent of new PMPHTs from each benefitting district by total PMPHTs of benefitting districts multiplied by the County costs.

See **Appendix A** for each project’s locational benefit (regional or UGIP), the districts benefitted, and the weighted capacity share. Note that because each district scenario contains different minimum private

shares and trip allocations for each district, the total capacity share for each district scenario will be different.

The proposed TIF program for Clark County includes 21 projects with a specific location and 6 UGIP programs. All improvements are planned to be needed and constructed between 2015 and 2035 at a total cost of \$330.5 million. After accounting for potential non-local grants and other funding sources, the County anticipates that \$280.2 million in costs will need to be funded by the County (mix of TIF and other local funding sources). It is estimated that the TIF funding would be able to generate between approximately \$86 and \$96 million, depending upon the scenario chosen.

**Exhibit 2** shows a summary of the total project costs and capacity share for each district scenario. See **Appendix B** for a full list of project costs and capacity share based on the private assumptions outlined above.

**Exhibit 2**

**Transportation Project Cost Summary**

Project Type	2015 Total Costs	2015 County Costs	Capacity Share - SL Projects	Capacity Share - UGIP Projects	Total Capacity Share
District Scenario 1	\$330,490,000	\$280,189,000	\$61,304,000	\$34,500,000	\$95,804,000
District Scenario 2	\$330,490,000	\$280,189,000	\$59,964,000	\$33,886,000	\$93,850,000
District Scenario 3	\$330,490,000	\$280,189,000	\$53,962,000	\$32,196,000	\$86,158,000

**Source:** DKS and County staff, compiled by FCS GROUP; derived from Appendix A.

**Note:** Costs escalated to 2015 costs using Engineering New Record, Seattle Cost Index.

**Abbreviations:** SL - specific location; UGIP - unspecified general improvements and programs

### 3. CAPACITY COSTS BY TIF DISTRICT

In order to apply capacity costs to specific districts, an analysis similar to calculating the capacity share was used. DKS Associates identified the scope of project benefit by providing an allocation of the projected growth in trip-ends for each project by each district, as mentioned above. Capacity costs were allocated to specific districts thusly:

- ◆ If the project was classified as a having a specific location, the project capacity share was distributed to TIF districts based on trip allocations.
- ◆ If the project was classified as UGIP, the capacity share was allocated based on the weighted sum of the percent of new PMPHTs from each benefitting district by total PMPHTs of benefitting districts.

Project costs by TIF district are summarized in **Exhibit 3** and provided in detail in **Appendix C**. Note that the difference between capacity share costs in **Exhibit 2** and **Exhibit 3** is a result of rounding costs to the nearest \$1,000 and adjusting trip allocation percentages to reflect each district scenario. See **Appendix D** for the allocation factors used in calculating TIF eligible project costs by district.

**Exhibit 3: Project Capacity Share Allocation to Districts by District Scenario**

Project Costs Scenario 1 (Rounded to \$1,000s)						
TIF Districts						
District Scenario 1	Hazel Dell	Mt. Vista	Orchards	Rural 1	Rural 2	Total
SL Projects	\$6,736,000	\$23,848,000	\$20,226,000	\$7,023,000	\$3,490,000	\$61,323,000
UGIP Projects	3,896,000	7,445,000	8,547,000	9,245,000	5,367,000	34,500,000
<b>Total</b>	<b>\$10,632,000</b>	<b>\$31,293,000</b>	<b>\$28,773,000</b>	<b>\$16,268,000</b>	<b>\$8,857,000</b>	<b>\$95,823,000</b>
District Scenario 2	Hazel Dell	Mt. Vista	Orchards	Rural	Total	
SL Projects	\$6,627,000	\$23,285,000	\$19,939,000	\$10,122,000	\$59,973,000	
UGIP Projects	3,793,000	7,343,000	8,395,000	14,353,000	33,884,000	
<b>Total</b>	<b>\$10,420,000</b>	<b>\$30,628,000</b>	<b>\$28,334,000</b>	<b>\$24,475,000</b>	<b>\$93,857,000</b>	
District Scenario 3	Urban County	Rural	Total			
SL Projects	\$44,556,000	\$9,429,000	\$53,985,000			
UGIP Projects	17,843,000	14,353,000	32,196,000			
<b>Total</b>	<b>\$62,399,000</b>	<b>\$23,782,000</b>	<b>\$86,181,000</b>			

Source: DKS and County staff, compiled by FCS GROUP.

Abbreviations: SL - specific location; UGIP - unspecified general improvements and programs

## 4. TIF RATES BY DISTRICT SCENARIO

Using the data above, a summary of the existing and potential changes in TIF rates in comparison to existing rates are provided in **Exhibit 4** for each scenario. As the current Clark County TIF is charged on an Average Daily Trip-End (ADT) basis and the analysis above is based on PMPHT, a row is provided that converts PMPHT to ADT fees per single family detached home using a factor of 10. **Exhibits 4 and 5** compare potential impact fees to current impact fees.

**Exhibit 4**

Comparison of Existing and Potential TIF Rates per ADT				
District	Existing	Scenario 1	Scenario 2	Scenario 3
Hazel Dell	\$375	\$283	\$287	\$327
Mount Vista	\$613	\$436	\$420	
North Orchards	\$553	\$349	\$344	
South Orchards	\$389			
Rural 1	\$315	\$282	\$269	\$262
Rural 2	\$52	\$265		

Source: County staff, compiled by FCS GROUP.

April 23, 2015  
 Clark County  
 Traffic Impact Fee Scenarios

**Exhibit 5: Existing and Draft Proposed TIF Rates**

**Existing Clark County Traffic Impact Fee per ADT**

	Hazel Dell	Mount Vista	North Orchards	South Orchards	Rural 1	Rural 2
<b>Rates</b>	\$ 375	\$ 613	\$ 553	\$ 389	\$ 315	\$ 52

**Draft District Scenario 1 Traffic Impact Fee**

	Hazel Dell	Mt. Vista	Orchards	Rural 1	Rural 2
<b>Eligible SL project costs</b>	\$ 6,736,000	\$ 23,848,000	\$ 20,226,000	\$ 7,023,000	\$ 3,490,000
<b>Eligible UGIP project costs</b>	3,896,000	7,445,000	8,547,000	9,245,000	5,367,000
<b>Total project cost basis</b>	\$ 10,632,000	\$ 31,293,000	\$ 28,773,000	\$ 16,268,000	\$ 8,857,000
<b>New PMPHTs</b>	3,758	7,180	8,242	5,759	3,343
<b>Proposed SL impact fee per PMPHT</b>	\$ 1,792	\$ 3,322	\$ 2,454	\$ 1,219	\$ 1,044
<b>Proposed UGIP impact fee per PMPHT</b>	1,037	1,037	1,037	1,605	1,605
<b>Proposed impact fee per PMPHT</b>	\$ 2,829	\$ 4,358	\$ 3,491	\$ 2,825	\$ 2,649
<b>Est. Proposed impact fee per ADT</b>	<b>283</b>	<b>436</b>	<b>349</b>	<b>282</b>	<b>265</b>

Source: Previous tables, compiled by FCS GROUP.

Abbreviations: SL - specific location; UGIP - unspecified general improvements and programs; ADT - average daily trip-end; PMPHT - P.M. Peak Hour Vehicle Trip-End

**Draft District Scenario 2 Traffic Impact Fee**

	Hazel Dell	Mt. Vista	Orchards	Rural
<b>Eligible project costs</b>	\$ 6,627,000	\$ 23,285,000	\$ 19,939,000	\$ 10,122,000
<b>Eligible UGIP costs</b>	3,793,000	7,343,000	8,395,000	14,353,000
<b>Total project cost basis</b>	\$ 10,420,000	\$ 30,628,000	\$ 28,334,000	\$ 24,475,000
<b>New PMPHTs</b>	3,636	7,286	8,242	9,092
<b>Proposed SL impact fee per PMPHT</b>	\$ 1,823	\$ 3,196	\$ 2,419	\$ 1,113
<b>Proposed UGIP impact fee per PMPHT</b>	1,043	1,008	1,019	1,579
<b>Proposed impact fee per PMPHT</b>	\$ 2,866	\$ 4,204	\$ 3,438	\$ 2,692
<b>Est. Proposed impact fee per ADT</b>	<b>287</b>	<b>420</b>	<b>344</b>	<b>269</b>

Source: Previous tables, compiled by FCS GROUP.

Abbreviations: SL - specific location; UGIP - unspecified general improvements and programs; ADT - average daily trip-end; PMPHT - P.M. Peak Hour Vehicle Trip-End

**Draft District Scenario 3 Traffic Impact Fee**

	Urban County	Rural
<b>Eligible project costs</b>	\$ 44,556,000	\$ 9,429,000
<b>Eligible UGIP costs</b>	17,843,000	14,353,000
<b>Total project cost basis</b>	\$ 62,399,000	\$ 23,782,000
<b>New PMPHTs</b>	19,070	9,092
<b>Proposed SL impact fee per PMPHT</b>	\$ 2,336	\$ 1,037
<b>Proposed UGIP impact fee per PMPHT</b>	936	1,579
<b>Proposed impact fee per PMPHT</b>	\$ 3,272	\$ 2,616
<b>Est. Proposed impact fee per ADT</b>	<b>327</b>	<b>262</b>

Source: Previous tables, compiled by FCS GROUP.

Abbreviations: SL - specific location; UGIP - unspecified general improvements and programs; ADT - average daily trip-end; PMPHT - P.M. Peak Hour Vehicle Trip-End

## APPENDIX

### Appendix A – Project Capacity Share Percentages Calculated by Trip Distribution

Project Capacity Share Calculation, District Scenario 1					Capacity Share Weights					Total	Capacity Share Scenario 1
Minimum Private Share by District					18%	44%	29%	39%	30%		
Project No.	Road	From	To	Project Benefit	Hazel Dell	Mt. Vista	Orchards	Rural 1	Rural 2	Total	Capacity Share Scenario 1
T1	NE 119th St	NE 72nd Ave	NE 87th Ave	Regional	16%	22%	44%	12%	5%	100%	32%
T2	NE 47th Ave @ NE 78th St	Intersection		Regional	47%	7%	39%	6%	1%	100%	26%
T3	NE 94th Ave	NE Padden Pkwy	NE 99th St	Regional	8%	2%	75%	11%	4%	100%	30%
T5	Highway 99	NE 99th St	NE 107th St	Regional	67%	24%	3%	4%	2%	100%	26%
T6	NE 99th St	NE 94th Ave	NE 107th Ave	Regional	7%	7%	73%	10%	3%	100%	31%
T7	NE 119th St	NE 50th Ave	NE 72nd Ave	Regional	12%	44%	36%	7%	0%	100%	35%
T8	NE 47th Ave	NE 68th St	NE 78th St	Regional	0%	0%	100%	0%	0%	100%	29%
T9	NE 99th St @ SR 503	Intersection		Regional	1%	5%	75%	19%	0%	100%	32%
T10	NE 10th Ave	NE 154th St	NE 164th St	Regional	5%	80%	3%	5%	7%	100%	41%
C1	Padden Pkwy @ Andresen	Intersection		Regional	30%	9%	61%	0%	0%	100%	27%
C2	Ward Road	NE 88th St	NE 172nd Ave Bridge	Regional	0%	0%	38%	13%	49%	100%	31%
C3	Salmon Ck Ave	WSU Entrance	NE 50th Ave	Regional	6%	65%	10%	9%	9%	100%	39%
C4	NE 119th St	NE 87th Ave	NE 112th Ave	Regional	16%	20%	44%	14%	6%	100%	32%
C5	NE 72nd Ave	NE 122nd St	NE 219th St	Regional	0%	34%	51%	15%	0%	100%	36%
R1	NE 179th St/I-5 Interchange	Delfel	NE 15th Ave	Regional	11%	57%	6%	25%	0%	100%	39%
R2	SCIP Phase 2	NE 134th St	I-205	Regional	12%	77%	6%	5%	0%	100%	40%
R3	NE 182nd Ave @ SR-5001	Intersection		Regional	5%	5%	42%	36%	12%	100%	33%
R4	NE 15th Ave Extension2	NE 179th St	NE 10th Ave	Regional	13%	56%	5%	20%	6%	100%	38%
R5	NE 99th St	NE 107th Ave	SR 503	Regional	0%	0%	71%	15%	14%	100%	31%
R6	NE 10th Ave	NE 149th St	NE 154th St	Regional	6%	79%	4%	4%	6%	100%	41%
R7	NE 179th St@29th Ave & @50th Ave	Intersections		Regional	11%	64%	4%	10%	10%	100%	38%
T4	TSO Projects (5)	Various		UGIP	20%	37%	43%	0%	0%	100%	33%
C6	Urban Arterial Intersections	Various		UGIP	20%	37%	43%	0%	0%	100%	33%
P3	Rural Road Improvement Program			UGIP	0%	0%	0%	63%	37%	100%	36%
P4	Sidewalks and ADA			UGIP	20%	37%	43%	0%	0%	100%	33%
P6	Urban Development Road Prgm			UGIP	20%	37%	43%	0%	0%	100%	33%
P7	Traffic Signal Optimization			UGIP	20%	37%	43%	0%	0%	100%	33%

Source: DKS and County staff, compiled by FCS GROUP.

Abbreviation:UGIP: Unspecified General Improvements and Programs

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Project Capacity Share Calculation, District Scenario 2					Capacity Share Weights						
Minimum Private Share by District					18%	42%	29%	35%			
Project No.	Road	From	To	Project Benefit	Hazel Dell	Mt. Vista	Orchards	Rural	Total	Capacity Share Scenario 2	
T1	NE 119th St	NE 72nd Ave	NE 87th Ave	Regional	16%	22%	44%	17%	100%	31%	
T2	NE 47th Ave @ NE 78th St	Intersection		Regional	47%	7%	39%	7%	100%	26%	
T3	NE 94th Ave	NE Padden Pkwy	NE 99th St	Regional	8%	2%	75%	15%	100%	30%	
T5	Highway 99	NE 99th St	NE 107th St	Regional	67%	24%	3%	6%	100%	25%	
T6	NE 99th St	NE 94th Ave	NE 107th Ave	Regional	7%	7%	73%	13%	100%	30%	
T7	NE 119th St	NE 50th Ave	NE 72nd Ave	Regional	12%	44%	36%	7%	100%	34%	
T8	NE 47th Ave	NE 68th St	NE 78th St	Regional	0%	0%	100%	0%	100%	29%	
T9	NE 99th St @ SR 503	Intersection		Regional	1%	5%	77%	17%	100%	31%	
T10	NE 10th Ave	NE 154th St	NE 164th St	Regional	5%	80%	3%	12%	100%	40%	
C1	Padden Pkwy @ Andresen	Intersection		Regional	30%	9%	61%	0%	100%	27%	
C2	Ward Road	NE 88th St	NE 172nd Ave Bridge	Regional	0%	0%	38%	62%	100%	33%	
C3	Salmon Ck Ave	WSU Entrance	NE 50th Ave	Regional	6%	65%	10%	18%	100%	38%	
C4	NE 119th St	NE 87th Ave	NE 112th Ave	Regional	16%	20%	44%	20%	100%	31%	
C5	NE 72nd Ave	NE 122nd St	NE 219th St	Regional	0%	34%	51%	15%	100%	35%	
R1	NE 179th St/I-5 Interchange	Delfel	NE 15th Ave	Regional	12%	58%	7%	24%	100%	37%	
R2	SCIP Phase 2	NE 134th St	I-205	Regional	13%	81%	6%	0%	100%	38%	
R3	NE 182nd Ave @ SR-5001	Intersection		Regional	5%	5%	42%	48%	100%	32%	
R4	NE 15th Ave Extension2	NE 179th St	NE 10th Ave	Regional	13%	56%	5%	26%	100%	37%	
R5	NE 99th St	NE 107th Ave	SR 503	Regional	0%	0%	71%	29%	100%	31%	
R6	NE 10th Ave	NE 149th St	NE 154th St	Regional	6%	79%	4%	11%	100%	39%	
R7	NE 179th St@29th Ave & @50th Ave	Intersections		Regional	11%	64%	4%	20%	100%	37%	
T4	TSO Projects (5)	Various		UGIP	19%	38%	43%	0%	100%	32%	
C6	Urban Arterial Intersections	Various		UGIP	19%	38%	43%	0%	100%	32%	
P3	Rural Road Improvement Program			UGIP	0%	0%	0%	100%	100%	35%	
P4	Sidewalks and ADA			UGIP	20%	37%	43%	0%	100%	32%	
P6	Urban Development Road Prgm			UGIP	20%	37%	43%	0%	100%	32%	
P7	Traffic Signal Optimization			UGIP	20%	37%	43%	0%	100%	32%	

Source: DKS and County staff, compiled by FCS GROUP.

Abbreviation:UGIP: Unspecified General Improvements and Programs

Project Capacity Share Calculation, District Scenario 3					Capacity Share Weights			
Minimum Private Share by District					29%	35%		
Project No.	Road	From	To	Project Benefit	Urban County	Rural	Total	Capacity Share Scenario 3
T1	NE 119th St	NE 72nd Ave	NE 87th Ave	Regional	83%	17%	100%	30%
T2	NE 47th Ave @ NE 78th St	Intersection		Regional	93%	7%	100%	30%
T3	NE 94th Ave	NE Padden Pkwy	NE 99th St	Regional	85%	15%	100%	30%
T5	Highway 99	NE 99th St	NE 107th St	Regional	94%	6%	100%	30%
T6	NE 99th St	NE 94th Ave	NE 107th Ave	Regional	87%	13%	100%	30%
T7	NE 119th St	NE 50th Ave	NE 72nd Ave	Regional	93%	7%	99%	29%
T8	NE 47th Ave	NE 68th St	NE 78th St	Regional	100%	0%	100%	29%
T9	NE 99th St @ SR 503	Intersection		Regional	83%	17%	100%	30%
T10	NE 10th Ave	NE 154th St	NE 164th St	Regional	88%	12%	100%	30%
C1	Padden Pkwy @ Andresen	Intersection		Regional	100%	0%	100%	29%
C2	Ward Road	NE 88th St	NE 172nd Ave Bridge	Regional	37%	63%	100%	33%
C3	Salmon Ck Ave	WSU Entrance	NE 50th Ave	Regional	82%	18%	100%	30%
C4	NE 119th St	NE 87th Ave	NE 112th Ave	Regional	80%	20%	100%	30%
C5	NE 72nd Ave	NE 122nd St	NE 219th St	Regional	83%	17%	100%	30%
R1	NE 179th St/I-5 Interchange	Delfel	NE 15th Ave	Regional	76%	24%	100%	31%
R2	SCIP Phase 2	NE 134th St	I-205	Regional	100%	0%	100%	29%
R3	NE 182nd Ave @ SR-5001	Intersection		Regional	52%	48%	100%	32%
R4	NE 15th Ave Extension2	NE 179th St	NE 10th Ave	Regional	74%	26%	100%	31%
R5	NE 99th St	NE 107th Ave	SR 503	Regional	71%	29%	100%	31%
R6	NE 10th Ave	NE 149th St	NE 154th St	Regional	89%	11%	100%	30%
R7	NE 179th St@29th Ave & @50th Ave	Intersections		Regional	80%	20%	100%	30%
T4	TSO Projects (5)	Various		UGIP	100%	0%	100%	29%
C6	Urban Arterial Intersections	Various		UGIP	100%	0%	100%	29%
P3	Rural Road Improvement Program			UGIP	0%	100%	100%	35%
P4	Sidewalks and ADA			UGIP	100%	0%	100%	29%
P6	Urban Development Road Prgm			UGIP	100%	0%	100%	29%
P7	Traffic Signal Optimization			UGIP	100%	0%	100%	29%

Source: DKS and County staff, compiled by FCS GROUP.

Abbreviation:UGIP: Unspecified General Improvements and Programs

**Appendix B – Project Costs Summary by District Scenario**

<b>Transportation Project Cost Summary, District Scenario 1</b>					
<b>Project No.</b>	<b>Project Road</b>	<b>Total Cost in 2015</b>	<b>County Cost in 2015</b>	<b>Capacity Share</b>	<b>Capacity Costs</b>
<b>Projects with an Identified Location</b>					
T1	NE 119th St	\$ 15,367,000	\$ 9,713,000	32%	\$ 3,104,000
T2	NE 47th Ave @ NE 78th St	1,943,000	919,000	26%	237,000
T3	NE 94th Ave	7,945,000	1,520,000	30%	456,000
T5	Highway 99	9,015,000	5,595,000	26%	1,441,000
T6	NE 99th St	7,684,000	6,167,000	31%	1,893,000
T7	NE 119th St	8,441,000	7,657,000	35%	2,691,000
T8	NE 47th Ave	3,501,000	3,303,000	29%	974,000
T9	NE 99th St @ SR 503	2,325,000	1,281,000	32%	408,000
T10	NE 10th Ave	22,538,000	12,974,000	41%	5,303,000
C1	Padden Pkwy @ Andresen	15,367,000	15,367,000	27%	4,212,000
C2	Ward Road	9,937,000	9,937,000	31%	3,064,000
C3	Salmon Ck Ave	12,396,000	12,396,000	39%	4,830,000
C4	NE 119th St	26,841,000	26,841,000	32%	8,568,000
C5	NE 72nd Ave	30,734,000	30,734,000	36%	11,010,000
R1	NE 179th St/I-5 Interchange	15,367,000	15,367,000	39%	5,961,000
R2	SCIP Phase 2	17,928,000	8,196,000	40%	3,247,000
R3	NE 182nd Ave @ SR-5001	1,024,000	1,024,000	33%	340,000
R4	NE 15th Ave Extension2	7,171,000	1,537,000	38%	585,000
R5	NE 99th St	1,024,000	452,000	31%	140,000
R6	NE 10th Ave	2,151,000	2,151,000	41%	873,000
R7	NE 179th St@29th Ave & @50th Ave	5,122,000	5,122,000	38%	1,967,000
	<b>Subtotal</b>	<b>223,821,000</b>	<b>178,253,000</b>		<b>61,304,000</b>
<b>Unspecified General Improvements and Programs</b>					
T4	TSO Projects (5)	6,270,000	1,537,000	33%	501,000
C6	Urban Arterial Intersections	15,367,000	15,367,000	33%	5,014,000
P3	Rural Road Improvement Program	40,979,000	40,979,000	36%	14,612,000
P4	Sidewalks and ADA	12,294,000	12,294,000	33%	4,011,000
P6	Urban Development Road Prgm	25,612,000	25,612,000	33%	8,356,000
P7	Traffic Signal Optimization	6,147,000	6,147,000	33%	2,006,000
	<b>Subtotal</b>	<b>106,669,000</b>	<b>101,936,000</b>		<b>34,500,000</b>
	<b>Total</b>	<b>\$ 330,490,000</b>	<b>\$ 280,189,000</b>		<b>\$ 95,804,000</b>

**Source:** DKS and County staff, compiled by FCS GROUP.

**Note:** Costs escalated to 2015 costs using Engineering New Record, Seattle Cost Index.

January 2014	January 2015
10,140	10,388

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Transportation Project Cost Summary, District Scenario 2					
Project No.	Project Road	Total Cost in 2015	County Cost in 2015	Capacity Share	Capacity Costs
<b>Projects with an Identified Location</b>					
T1	NE 119th St	\$ 15,367,000	\$ 9,713,000	31%	\$ 3,048,000
T2	NE 47th Ave @ NE 78th St	1,943,000	919,000	26%	235,000
T3	NE 94th Ave	7,945,000	1,520,000	30%	452,000
T5	Highway 99	9,015,000	5,595,000	25%	1,422,000
T6	NE 99th St	7,684,000	6,167,000	30%	1,871,000
T7	NE 119th St	8,441,000	7,657,000	34%	2,612,000
T8	NE 47th Ave	3,501,000	3,303,000	29%	974,000
T9	NE 99th St @ SR 503	2,325,000	1,281,000	31%	396,000
T10	NE 10th Ave	22,538,000	12,974,000	40%	5,143,000
C1	Padden Pkwy @ Andresen	15,367,000	15,367,000	27%	4,198,000
C2	Ward Road	9,937,000	9,937,000	33%	3,268,000
C3	Salmon Ck Ave	12,396,000	12,396,000	38%	4,705,000
C4	NE 119th St	26,841,000	26,841,000	31%	8,414,000
C5	NE 72nd Ave	30,734,000	30,734,000	35%	10,638,000
R1	NE 179th St/I-5 Interchange	15,367,000	15,367,000	37%	5,658,000
R2	SCIP Phase 2	17,928,000	8,196,000	38%	3,133,000
R3	NE 182nd Ave @ SR-5001	1,024,000	1,024,000	32%	331,000
R4	NE 15th Ave Extension2	7,171,000	1,537,000	37%	562,000
R5	NE 99th St	1,024,000	452,000	31%	140,000
R6	NE 10th Ave	2,151,000	2,151,000	39%	847,000
R7	NE 179th St@29th Ave & @50th Ave	5,122,000	5,122,000	37%	1,917,000
	<b>Subtotal</b>	<b>223,821,000</b>	<b>178,253,000</b>		<b>59,964,000</b>
<b>Unspecified General Improvements and Programs</b>					
T4	TSO Projects (5)	6,270,000	1,537,000	32%	494,000
C6	Urban Arterial Intersections	15,367,000	15,367,000	32%	4,940,000
P3	Rural Road Improvement Program	40,979,000	40,979,000	35%	14,353,000
P4	Sidewalks and ADA	12,294,000	12,294,000	32%	3,935,000
P6	Urban Development Road Prgm	25,612,000	25,612,000	32%	8,197,000
P7	Traffic Signal Optimization	6,147,000	6,147,000	32%	1,967,000
	<b>Subtotal</b>	<b>106,669,000</b>	<b>101,936,000</b>		<b>33,886,000</b>
	<b>Total</b>	<b>\$ 330,490,000</b>	<b>\$ 280,189,000</b>		<b>\$ 93,850,000</b>

Source: DKS and County staff, compiled by FCS GROUP.

Note: Costs escalated to 2015 costs using Engineering New Record, Seattle Cost Index.

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Transportation Project Cost Summary, District Scenario 3					
Project No.	Project Road	Total Cost in 2015	County Cost in 2015	Capacity Share	Capacity Costs
<b>Projects with an Identified Location</b>					
T1	NE 119th St	\$ 15,367,000	\$ 9,713,000	30%	\$ 2,924,000
T2	NE 47th Ave @ NE 78th St	1,943,000	919,000	30%	273,000
T3	NE 94th Ave	7,945,000	1,520,000	30%	458,000
T5	Highway 99	9,015,000	5,595,000	30%	1,656,000
T6	NE 99th St	7,684,000	6,167,000	30%	1,853,000
T7	NE 119th St	8,441,000	7,657,000	29%	2,256,000
T8	NE 47th Ave	3,501,000	3,303,000	29%	967,000
T9	NE 99th St @ SR 503	2,325,000	1,281,000	30%	389,000
T10	NE 10th Ave	22,538,000	12,974,000	30%	3,882,000
C1	Padden Pkwy @ Andresen	15,367,000	15,367,000	29%	4,514,000
C2	Ward Road	9,937,000	9,937,000	33%	3,260,000
C3	Salmon Ck Ave	12,396,000	12,396,000	30%	3,752,000
C4	NE 119th St	26,841,000	26,841,000	30%	8,170,000
C5	NE 72nd Ave	30,734,000	30,734,000	30%	9,345,000
R1	NE 179th St/I-5 Interchange	15,367,000	15,367,000	31%	4,724,000
R2	SCIP Phase 2	17,928,000	8,196,000	29%	2,399,000
R3	NE 182nd Ave @ SR-5001	1,024,000	1,024,000	32%	328,000
R4	NE 15th Ave Extension2	7,171,000	1,537,000	31%	472,000
R5	NE 99th St	1,024,000	452,000	31%	140,000
R6	NE 10th Ave	2,151,000	2,151,000	30%	642,000
R7	NE 179th St@29th Ave & @50th Ave	5,122,000	5,122,000	30%	1,558,000
	<b>Subtotal</b>	<b>223,821,000</b>	<b>178,253,000</b>		<b>53,962,000</b>
<b>Unspecified General Improvements and Programs</b>					
T4	TSO Projects (5)	6,270,000	1,537,000	29%	450,000
C6	Urban Arterial Intersections	15,367,000	15,367,000	29%	4,498,000
P3	Rural Road Improvement Program	40,979,000	40,979,000	35%	14,353,000
P4	Sidewalks and ADA	12,294,000	12,294,000	29%	3,599,000
P6	Urban Development Road Prgm	25,612,000	25,612,000	29%	7,497,000
P7	Traffic Signal Optimization	6,147,000	6,147,000	29%	1,799,000
	<b>Subtotal</b>	<b>106,669,000</b>	<b>101,936,000</b>		<b>32,196,000</b>
	<b>Total</b>	<b>\$ 330,490,000</b>	<b>\$ 280,189,000</b>		<b>\$ 86,158,000</b>

Source: DKS and County staff, compiled by FCS GROUP.

Note: Costs escalated to 2015 costs using Engineering New Record, Seattle Cost Index.

**Appendix C – TIF-Eligible Costs by District**

Project Costs Scenario 1 (Rounded to \$1,000s)							
Project No.	Project Road	Hazel Dell	Mt. Vista	Orchards	Rural 1	Rural 2	Total
T1	NE 119th St	\$ 506,000	\$ 679,000	\$ 1,376,000	\$ 381,000	\$ 162,000	\$ 3,104,000
T2	NE 47th Ave @ NE 78th St	110,000	18,000	92,000	14,000	3,000	237,000
T3	NE 94th Ave	36,000	11,000	341,000	51,000	18,000	457,000
T5	Highway 99	959,000	349,000	44,000	60,000	28,000	1,440,000
T6	NE 99th St	131,000	132,000	1,376,000	193,000	61,000	1,893,000
T7	NE 119th St	329,000	1,194,000	971,000	189,000	7,000	2,690,000
T8	NE 47th Ave	-	-	974,000	-	-	974,000
T9	NE 99th St @ SR 503	6,000	22,000	305,000	76,000	-	409,000
T10	NE 10th Ave	257,000	4,228,000	183,000	255,000	381,000	5,304,000
C1	Padden Pkwy @ Andresen	1,261,000	383,000	2,573,000	-	-	4,217,000
C2	Ward Road	-	-	1,169,000	386,000	1,506,000	3,061,000
C3	Salmon Ck Ave	309,000	3,139,000	507,000	423,000	454,000	4,832,000
C4	NE 119th St	1,382,000	1,745,000	3,732,000	1,196,000	513,000	8,568,000
C5	NE 72nd Ave	-	3,737,000	5,623,000	1,658,000	-	11,018,000
R1	NE 179th St/I-5 Interchange	682,000	3,405,000	382,000	1,494,000	-	5,963,000
R2	SCIP Phase 2	402,000	2,505,000	186,000	155,000	-	3,248,000
R3	NE 182nd Ave @ SR-5001	16,000	18,000	144,000	123,000	40,000	341,000
R4	NE 15th Ave Extension2	75,000	327,000	29,000	120,000	35,000	586,000
R5	NE 99th St	-	-	100,000	20,000	20,000	140,000
R6	NE 10th Ave	52,000	690,000	37,000	39,000	56,000	874,000
R7	NE 179th St@29th Ave & @50th Ave	223,000	1,266,000	82,000	190,000	206,000	1,967,000
	<b>Subtotal</b>	<b>6,736,000</b>	<b>23,848,000</b>	<b>20,226,000</b>	<b>7,023,000</b>	<b>3,490,000</b>	<b>61,323,000</b>
T4	TSO Projects (5)	98,000	188,000	215,000	-	-	501,000
C6	Urban Arterial Intersections	982,000	1,877,000	2,155,000	-	-	5,014,000
P3	Rural Road Improvement Program	-	-	-	9,245,000	5,367,000	14,612,000
P4	Sidewalks and ADA	786,000	1,501,000	1,724,000	-	-	4,011,000
P6	Urban Development Road Prgm	1,637,000	3,128,000	3,591,000	-	-	8,356,000
P7	Traffic Signal Optimization	393,000	751,000	862,000	-	-	2,006,000
	<b>Subtotal</b>	<b>3,896,000</b>	<b>7,445,000</b>	<b>8,547,000</b>	<b>9,245,000</b>	<b>5,367,000</b>	<b>34,500,000</b>
	<b>Total</b>	<b>\$ 10,632,000</b>	<b>\$ 31,293,000</b>	<b>\$ 28,773,000</b>	<b>\$ 16,268,000</b>	<b>\$ 8,857,000</b>	<b>\$ 95,823,000</b>

Source: DKS and County staff, compiled by FCS GROUP.

April 23, 2015  
 Clark County  
 Traffic Impact Fee Scenarios

Project Costs Scenario 2 (Rounded to \$1,000s)						
Project No.	Project Road	Hazel Dell	Mt. Vista	Orchards	Rural	Total
T1	NE 119th St	\$ 497,000	\$ 666,000	\$ 1,351,000	\$ 533,000	\$ 3,047,000
T2	NE 47th Ave @ NE 78th St	109,000	18,000	91,000	17,000	235,000
T3	NE 94th Ave	36,000	10,000	338,000	68,000	452,000
T5	Highway 99	946,000	345,000	44,000	87,000	1,422,000
T6	NE 99th St	129,000	130,000	1,360,000	251,000	1,870,000
T7	NE 119th St	319,000	1,159,000	943,000	191,000	2,612,000
T8	NE 47th Ave	-	-	974,000	-	974,000
T9	NE 99th St @ SR 503	6,000	21,000	303,000	66,000	396,000
T10	NE 10th Ave	249,000	4,100,000	178,000	616,000	5,143,000
C1	Padden Pkwy @ Andresen	1,257,000	382,000	2,564,000	-	4,203,000
C2	Ward Road	-	-	1,247,000	2,019,000	3,266,000
C3	Salmon Ck Ave	301,000	3,057,000	493,000	853,000	4,704,000
C4	NE 119th St	1,358,000	1,714,000	3,665,000	1,678,000	8,415,000
C5	NE 72nd Ave	-	3,621,000	5,448,000	1,576,000	10,645,000
R1	NE 179th St/I-5 Interchange	658,000	3,289,000	369,000	1,343,000	5,659,000
R2	SCIP Phase 2	407,000	2,538,000	188,000	-	3,133,000
R3	NE 182nd Ave @ SR-5001	15,000	18,000	140,000	158,000	331,000
R4	NE 15th Ave Extension2	72,000	314,000	28,000	149,000	563,000
R5	NE 99th St	-	-	100,000	40,000	140,000
R6	NE 10th Ave	51,000	669,000	35,000	91,000	846,000
R7	NE 179th St@29th Ave & @50th Ave	217,000	1,234,000	80,000	386,000	1,917,000
	<b>Subtotal</b>	<b>6,627,000</b>	<b>23,285,000</b>	<b>19,939,000</b>	<b>10,122,000</b>	<b>59,973,000</b>
T4	TSO Projects (5)	94,000	188,000	212,000	-	494,000
C6	Urban Arterial Intersections	937,000	1,878,000	2,125,000	-	4,940,000
P3	Rural Road Improvement Program	-	-	-	14,353,000	14,353,000
P4	Sidewalks and ADA	771,000	1,473,000	1,691,000	-	3,935,000
P6	Urban Development Road Prgm	1,606,000	3,068,000	3,522,000	-	8,196,000
P7	Traffic Signal Optimization	385,000	736,000	845,000	-	1,966,000
	<b>Subtotal</b>	<b>3,793,000</b>	<b>7,343,000</b>	<b>8,395,000</b>	<b>14,353,000</b>	<b>33,884,000</b>
	<b>Total</b>	<b>\$ 10,420,000</b>	<b>\$ 30,628,000</b>	<b>\$ 28,334,000</b>	<b>\$ 24,475,000</b>	<b>\$ 93,857,000</b>

Source: DKS and County staff, compiled by FCS GROUP.

April 23, 2015  
 Clark County  
 Traffic Impact Fee Scenarios

Project Costs Scenario 3 (Rounded to \$1,000s)				
Project No.	Project Road	Urban County	Rural	Total
T1	NE 119th St	\$ 2,412,000	\$ 497,000	\$ 2,909,000
T2	NE 47th Ave @ NE 78th St	254,000	20,000	274,000
T3	NE 94th Ave	389,000	68,000	457,000
T5	Highway 99	1,555,000	100,000	1,655,000
T6	NE 99th St	1,604,000	249,000	1,853,000
T7	NE 119th St	2,091,000	150,000	2,241,000
T8	NE 47th Ave	967,000	-	967,000
T9	NE 99th St @ SR 503	324,000	66,000	390,000
T10	NE 10th Ave	3,417,000	460,000	3,877,000
C1	Padden Pkwy @ Andresen	4,530,000	-	4,530,000
C2	Ward Road	1,196,000	2,054,000	3,250,000
C3	Salmon Ck Ave	3,071,000	675,000	3,746,000
C4	NE 119th St	6,540,000	1,634,000	8,174,000
C5	NE 72nd Ave	7,768,000	1,621,000	9,389,000
R1	NE 179th St/I-5 Interchange	3,604,000	1,134,000	4,738,000
R2	SCIP Phase 2	2,399,000	-	2,399,000
R3	NE 182nd Ave @ SR-5001	171,000	157,000	328,000
R4	NE 15th Ave Extension2	347,000	123,000	470,000
R5	NE 99th St	100,000	40,000	140,000
R6	NE 10th Ave	573,000	68,000	641,000
R7	NE 179th St@29th Ave & @50th Ave	1,244,000	313,000	1,557,000
<b>Subtotal</b>		<b>44,556,000</b>	<b>9,429,000</b>	<b>53,985,000</b>
T4	TSO Projects (5)	450,000	-	450,000
C6	Urban Arterial Intersections	4,498,000	-	4,498,000
P3	Rural Road Improvement Program	-	14,353,000	14,353,000
P4	Sidewalks and ADA	3,599,000	-	3,599,000
P6	Urban Development Road Prgm	7,497,000	-	7,497,000
P7	Traffic Signal Optimization	1,799,000	-	1,799,000
<b>Subtotal</b>		<b>17,843,000</b>	<b>14,353,000</b>	<b>32,196,000</b>
<b>Total</b>		<b>\$ 62,399,000</b>	<b>\$ 23,782,000</b>	<b>\$ 86,181,000</b>

Source: DKS and County staff, compiled by FCS GROUP.

**Appendix D – Trip Percentages Used to Calculate TIF District Share**

Transportation Project Cost Summary												
		Percent of Project to Overlay Scenario 1					Percent of Project to Overlay Scenario 2				Percent of Project to Overlay Scenario 3	
Project No.	Project Road	Hazel					Hazel				Urban	
		Dell	Mt. Vista	Orchards	Rural 1	Rural 2	Dell	Mt. Vista	Orchards	Rural	County	Rural
T1	NE 119th St	16%	22%	44%	12%	5%	16%	22%	44%	17%	83%	17%
T2	NE 47th Ave @ NE 78th St	47%	7%	39%	6%	1%	47%	7%	39%	7%	93%	7%
T3	NE 94th Ave	8%	2%	75%	11%	4%	8%	2%	75%	15%	85%	15%
T4	TSO Projects (5)	20%	37%	43%	0%	0%	19%	38%	43%	0%	100%	0%
T5	Highway 99	67%	24%	3%	4%	2%	67%	24%	3%	6%	94%	6%
T6	NE 99th St	7%	7%	73%	10%	3%	7%	7%	73%	13%	87%	13%
T7	NE 119th St	12%	44%	36%	7%	0%	12%	44%	36%	7%	93%	7%
T8	NE 47th Ave	0%	0%	100%	0%	0%	0%	0%	100%	0%	100%	0%
T9	NE 99th St @ SR 503	1%	5%	75%	19%	0%	1%	5%	77%	17%	83%	17%
T10	NE 10th Ave	5%	80%	3%	5%	7%	5%	80%	3%	12%	88%	12%
C1	Padden Pkwy @ Andresen	30%	9%	61%	0%	0%	30%	9%	61%	0%	100%	0%
C2	Ward Road	0%	0%	38%	13%	49%	0%	0%	38%	62%	37%	63%
C3	Salmon Ck Ave	6%	65%	10%	9%	9%	6%	65%	10%	18%	82%	18%
C4	NE 119th St	16%	20%	44%	14%	6%	16%	20%	44%	20%	80%	20%
C5	NE 72nd Ave	0%	34%	51%	15%	0%	0%	34%	51%	15%	83%	17%
C6	Urban Arterial Intersections	20%	37%	43%	0%	0%	19%	38%	43%	0%	100%	0%
R1	NE 179th St/I-5 Interchange	11%	57%	6%	25%	0%	12%	58%	7%	24%	76%	24%
R2	SCIP Phase 2	12%	77%	6%	5%	0%	13%	81%	6%	0%	100%	0%
R3	NE 182nd Ave @ SR-5001	5%	5%	42%	36%	12%	5%	5%	42%	48%	52%	48%
R4	NE 15th Ave Extension2	13%	56%	5%	20%	6%	13%	56%	5%	26%	74%	26%
R5	NE 99th St	0%	0%	71%	15%	14%	0%	0%	71%	29%	71%	29%
R6	NE 10th Ave	6%	79%	4%	4%	6%	6%	79%	4%	11%	89%	11%
R7	NE 179th St@29th Ave & @50th Ave	11%	64%	4%	10%	10%	11%	64%	4%	20%	80%	20%
P3	Rural Road Improvement Program	0%	0%	0%	63%	37%	0%	0%	0%	100%	0%	100%
P4	Sidewalks and ADA	20%	37%	43%	0%	0%	20%	37%	43%	0%	100%	0%
P6	Urban Development Road Prgm	20%	37%	43%	0%	0%	20%	37%	43%	0%	100%	0%
P7	Traffic Signal Optimization	20%	37%	43%	0%	0%	20%	37%	43%	0%	100%	0%

Source: DKS and County staff, compiled by FCS GROUP.



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## MEMORANDUM

DATE: February 12, 2015  
TO: Matt Hermen, AICP, Clark County  
FROM: Ray Delahanty, AICP, Benjamin Chaney, EIT  
SUBJECT: Clark County TIF Update  
Task 6: TIF Credit System Update Memorandum

P#14199-000-006

The purpose of this memorandum is to provide an overview of potential changes to the handling of excess Traffic Impact Fee (TIF) credits under a updated TIF program, including:

- Approaches to handling existing credits that were generated under the existing Traffic Impact Fee (TIF) system, and
- An option for handling future situations where a developer constructs improvements in excess of what is required by TIF obligation.

The following memorandum intends to provide evidence to Clark County for making a well-informed decision for the TIF program Update. The conclusion does not offer a recommendation, but rather facilitates discussion. The language should not be construed to favor one option over another.

### Review of Current Excess TIF Credit System

TIF credit may be available for developments/developers electing to construct a portion of roadway infrastructure that is identified on the Capital Facilities Plan (CFP). The portion of roadway infrastructure that is eligible for TIF credit only comprises improvements that are above and beyond what would have normally been included in a condition of approval for the proposed development. (i.e. If the development's traffic study showed that right turn lanes were necessary to facilitate the development, this improvement would not be TIF credit eligible). Typically, the developer elects to construct TIF credit eligible infrastructure immediately adjacent to their proposed development.

Once the TIF credit eligible roadway infrastructure has been constructed, or is under construction, the applicant may request TIF credits. TIF credits available to the applicant are based on the estimated costs identified in the Capital Facilities Plan and are calculated by the following:

*(Proportion of the total system improvement, provided by the developer) x (estimated cost of system improvement identified in the CFP)*

The TIF credit amount requested by the developer typically comes in the form of actual construction cost estimates. The County Engineer's designee (Design & Construction Management) evaluates the submitted construction costs, for validity, and compares them to the formula outlined above. Once the construction cost is validated and any subsequent



adjustments are made, a staff report is prepared. This staff report documents the analysis findings and establishes the amount of TIF credit to be issued. When the County Engineer signs and issues the staff report, a request for TIF credit account set up is made to the Community Development Finance Assistant. Also, at this time, Concurrency Staff enters the account information into the TIF credit-tracking tool. Once the account is set up, it is available for immediate use. The County Engineer may adjust the credit amount to reflect extraordinary construction costs, i.e. cuts, fills, structural, etc.<sup>1</sup>

If the TIF credit-eligible roadway infrastructure is under construction when TIF is assessed, the applicant may request up to 85% of the allowable TIF credits. This 85% of the allowable TIF credits may only be issued when the system improvements have been assured by a bond or other guarantee to be completed no later than the date of occupancy or final building inspection. When the required system improvement is completed, the remainder of the TIF credits may be issued.<sup>2</sup>

The TIF credits issued may be used in lieu of cash payment of traffic impact fees for the subject development, and/or any other development within the same TIF service area.<sup>3</sup> Developments in the Highway 99 overlay district are eligible for additional TIF deductions when amenities that lower vehicle dependence are proposed as part of development. This overlay was put in place to promote the redevelopment of the Highway 99 corridor area.

The TIF credits are treated like a commodity and can be traded or bought/sold amongst the public, and coordinated with the County. The County Concurrency Engineer maintains a TIF credit database, tracking the outstanding credit amounts, ownership, and district designation. Maintenance of this database is a substantial effort as credits are transferred and used, and the County would like a system that has less administrative burden.

The credit system can create construction schedule issues for the County. If a TIF credit is redeemed in order to help construct a project, the County may not have scheduled construction of the project to occur at that time, since the outstanding credit represents a portion of an infrastructure asset and not full construction costs.

Currently<sup>4</sup>, outstanding TIF credits total more than \$6,250,000 across all five TIF districts, with the majority in the Mt. Vista and North Orchards Districts. The County currently honors TIF credits indefinitely.

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<sup>1</sup> See Clark County Code 40.630.060 (B & C)

<sup>2</sup> See Clark County Code 40.630.060 (D)

<sup>3</sup> See Clark County Code 40.630.060 (E)

<sup>4</sup> TIF Credit Snapshot as of December 9, 2014

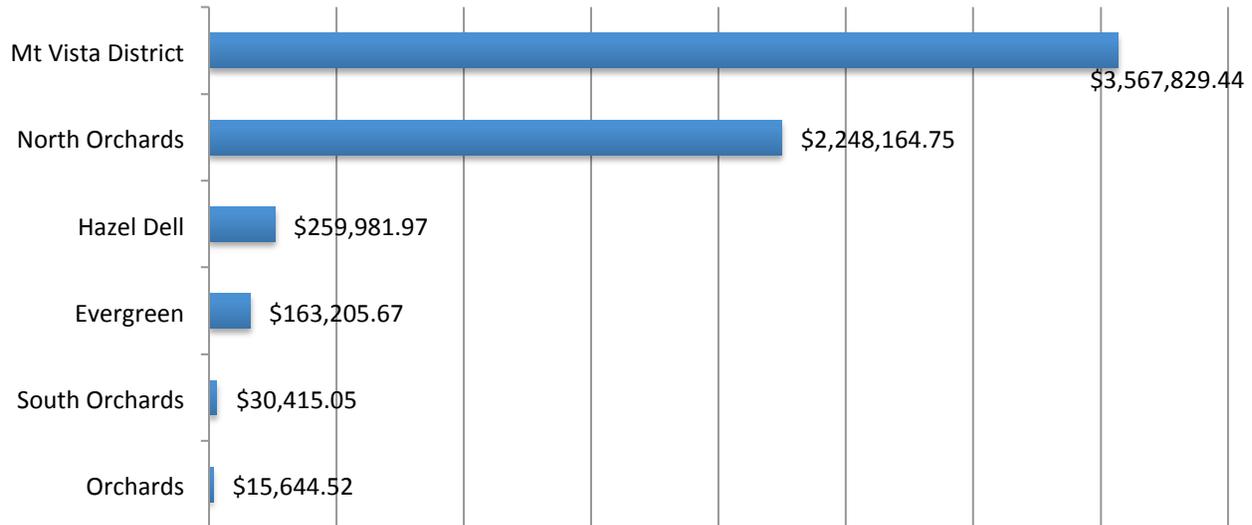


Figure 1: December 9, 2014 TIF Credit Snapshot

## Management of Existing Credits after Program Update

The County has options for handling the outstanding credits, including:

- Expire existing credits (i.e., setting a "sunset" date)
- Continue to honor the outstanding credits, but transfer them to the new district system
- Continue to honor the outstanding credits and apply them to the district system under which they were generated

These options are discussed below and summarized in Table 1.

### Credit Expiration

Clark County currently has more than \$6,250,000 in outstanding TIF credits. The maintenance of tracking and administering the TIF credit database requires staffing resources for consistent management. However, setting an expiration date to existing credits raises issues of fairness, as the credit holder previously elected to provide improvements above and beyond their required TIF contribution. Not acknowledging and honoring those previous efforts and improvements may not be seen as reasonable.

### Transferring Credits to New District Boundary System

If the County chooses to continue to honor outstanding credits and maintain the TIF credit database, then one option would be to honor those credits based on the newly adopted district boundary system. In this case, all outstanding credits would need to be assigned to districts under the new system based on the parcel location associated with the credit. Those credits would only be valid for TIF projects in the new district to which they are assigned. This approach can be seen as more fair than expiring the credits, but it may affect the ability of credit holder to sell or trade credits if they have been assigned to a smaller district or one with less development activity.



**Honoring Credits with Application in Previous District Boundary System**

The County may choose to apply credits using the district system under which they were generated rather than transferring them to the newly adopted district system. In this scenario, the database of credits should be frozen on the date when the new district boundary map is adopted, and then administered according to the district boundary map under which the credits were generated. After this date, all TIF transactions would occur within the new district map system.

Some TIF districts in the previous district system were shared between the County and the City of Vancouver. The Evergreen district holds the most outstanding credits of any previously shared districts, just over \$160,000. Further coordination with the City of Vancouver TIF program may be needed to decide how these credits could be applied in the future, since the future Evergreen district (called Cascade under the new Vancouver TIF program) will lie almost entirely within the City, with just a small reminder of the old district in unincorporated Clark County.

Tradeoffs between the three approaches are shown in Table 1 below. While allowing outstanding credits to expire is simplest from an administrative perspective, maintaining the credits recognizes the infrastructure investments previously made by credit holders, and is likely to be seen as the most fair approach. Applying the credits under the existing district system (“old system” once a new program is adopted) will maintain the nexus and fairness that was established

**Table 1: Summary of Trade-Offs**

	Fairness	Ease of Implementation	Ongoing Maintenance
<b>Expire Credits</b>			✓
<b>Credit Transfer to New System</b>	✓	✓	
<b>Apply Credits Under Old System</b>	✓✓	✓	
✓ Option is somewhat responsive to criteria	✓✓ Option is very responsive to criteria		

**Alternative to TIF Credit System**

State law does not require jurisdictions to offer excess credits for improvements provided by developers. Therefore, Clark County has the option of abandoning the existing excess credit system once the updated TIF program is adopted. While this would take away a tool that can help the County construct a project before funding is in place, abandoning the excess credit system may have the following benefits:

- Removes administrative burden of tracking outstanding credits, including transfers of credit ownership
- Avoids situations where a developer redeems a credit in order to pay for a project, but the project can not be built because the County does not have sufficient cash available



## Street Latecomer Agreements

Street Latecomer Agreements, also known as recovery contracts or reimbursement agreements, are an alternative financing tool to construct TIF projects.<sup>5</sup> The City of Vancouver has chosen Latecomer Agreements (street project assessment reimbursement contracts)<sup>6</sup> as their preferred tool to credit developers who construct projects in excess of their TIF burden. There is a provision in the County Code that currently allows for Latecomer Agreements. Latecomer Agreements have only been used by a developer conditioned to construct an infrastructure improvement *not* identified in the County's CFP and are not eligible for TIF credits.

Street Latecomer Agreements set in place a system for initial developers who build projects to recover a portion of their costs from property owners who later develop and make use of the completed transportation improvements. The burden to recover costs is then put on the private parties, leaving the jurisdiction free of financial management. The Revised Code of Washington (RCW) Chapter 35.72<sup>7</sup> sets out the procedures for Latecomer Agreements to be used with street improvements that are required by ordinance as a condition of property development. Clark County Code Chapter 12.36<sup>8</sup> covers provisions for road improvement reimbursement.

The process for implementing a Latecomer Agreement is as follows:

1. The County formulates an assessment reimbursement area based on which parcels adjacent to the street improvements would require similar improvements upon development.
2. The determination of assessments and area boundaries, along with information for the property owners describing their rights and options, is sent to the owner of record for all parcels in the area. Owners have 20 days to request a hearing on the preliminary determination.
3. The contract is recorded in the County Auditor's Office within 30 days of execution of the agreement.
4. The contract is binding on all owners of record within the assessment area, even those not party to the contract.

The property owner who provided the street improvement can be reimbursed a portion of the costs of the project for a period not to exceed 15 years. Reimbursement amounts are a pro rata share of design, construction, and contract administration costs of the project. The amount is based on the latecomer's benefit from not being required to install a similar street project because it was already provided by the original developer.

It is the responsibility of the property owner owed reimbursements to update the County every two years with any changes to property ownership. The County can participate in this agreement and be reimbursed in the same manner as property owners, adding additional flexibility to implement projects. If the County chooses not to provide excess TIF credits, Street Latecomer Agreements may provide funding options that are fair to developers.

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<sup>5</sup> <http://www.mrsc.org/Home/Explore-Topics/Public-Works/Finance/Latecomer-Agreements-for-Cities,-Towns,-nbsp;Count.aspx>

<sup>6</sup> See Vancouver Municipal Code Chapter 11.10

<sup>7</sup> <http://app.leg.wa.gov/rcw/default.aspx?cite=35.72>

<sup>8</sup> <http://www.codepublishing.com/wa/clarkcounty/clarkco12/clarkco1236/clarkco1236.html>



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# MEMORANDUM

DATE: March 20, 2015  
TO: Matt Hermen, AICP, Clark County  
FROM: Ray Delahanty, AICP; Benjamin Chaney, EIT  
SUBJECT: Clark County TIF Update  
Task 7: Business Enhancement Factor and Other Potential Incentives Memorandum

P#14199-000-006

The purpose of this memorandum is to provide a review of the Clark County Traffic Impact Fee (TIF) program's existing Business Enhancement Factor (BEF) and options for modification as part of the TIF program update. In the following sections, we describe:

- Background on the development and current implementation of the BEF
- Options for modifying the TIF program's incentives structure to promote travel options
- Recommended updates to land use categories eligible for the BEF

## Current Business Enhancement Factor

This section describes the rationale for the BEF and how it is currently implemented.

### Reasons for creating the BEF

Much of the success of the TIF program depends on how fees are viewed by the marketplace of developers. TIFs can be viewed as a value added to a property if the transportation improvements are viewed as beneficial, or as a tax if they are not. The BEF is critical to promoting confidence that the TIFs fairly represent the impacts and benefits of retail and service-related development.

In late 2000, changes were proposed to some elements of the TIF program, including removing a trip length factor and updated pass-by trip adjustments. Changes to these factors and adjustments would have increased fees for retail and service-related land uses to levels that were higher than other nearby jurisdictions, potentially impacting unincorporated Clark County's ability to attract these businesses. To address this issue, County staff recommended a Business Enhancement Factor element in the traffic impact fee calculations for retail and service-related uses only.

The BEF recognizes that retail and service-related land uses have shorter average trip lengths, and that these uses provide sales tax revenue and tend to be under-represented in Clark County because they compete in the regional market with Oregon retail and service-related businesses, which charge no sales tax. County staff recommended the BEF in 2001, stating that a factor of 0.23 was needed to achieve jurisdictional parity, and an additional 0.15 to achieve sales tax parity on retail construction.



The adopted BEF of 0.30, in addition to accounting for shorter trip lengths and sales tax benefits, also has the following advantages:

- Comprehensive plan goals of reduced travel, jobs/housing balance, and shopping locally are not facilitated by high TIF fees that drive development to other locations. The BEF allows for regional parity that helps Clark County achieve these goals.
- Without the BEF, the TIF program may favor large retailers and chain/franchise operators over smaller, independently owned retail enterprises.

With the BEF in place, the TIF program does not formally recognize separate discounts or factors for shorter trip lengths, internal trip capture, or diverted link trips. Shorter trip lengths are assumed to be represented in the BEF. However, a traffic study may incorporate internal capture and/or diverted link trip analysis. Pass-by trips are currently included in TIF calculations as part of the TIF Technical Document<sup>1</sup>, which provides information on the substance and structure of the TIF program.

## Implementation

The BEF is implemented through the TIF Technical Document. The document specifies that the BEF is a multiplier of 0.70 in the TIF calculation shown below.

$$\text{TIF} = (\text{Size of development by Unit of Measure}) / (\text{Unit of Measure}) \times (\text{Daily Trips per Unit of Measure}) \times (\text{Pass-by Factor}) \times (\text{BEF})^a \times (0.85)^b \times (\text{Fee per Daily Trip by district})$$

<sup>a</sup> BEF multiplier of 0.70 is used to reduce TIF payment for retail and service-related businesses

<sup>b</sup> Adjustment of 0.85 is applied pursuant to CCC 40.620.010 (D), which accounts for anticipated additional tax revenues

The BEF is applicable for “retail and service related businesses.” Clark County staff maintains a list of Institute of Transportation Engineers (ITE) land use categories that qualify for the BEF. This is discussed further in the section on trip generation rates.

## Options for Promoting Travel Options through TIF Incentives

The BEF is a tool that reflects both the reduced demands on the transportation system (through shorter trip lengths) and the regional benefits (through improved land use mix and sales tax revenue) of encouraging retail and service-related development. This section discusses how other TIF incentives can help reduce demands and provide regional benefits to Clark County.

## Current Use of TIF Program to Promote Travel Options

Promoting walking, biking, and transit can mitigate the need for motor vehicle capacity projects and help achieve comprehensive plan goals. Clark County’s existing Highway 99 Overlay Sub-Area and related incentive

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<sup>1</sup> *Traffic Impact Fee Technical Program Document*, Clark County, updated July 13, 2010



system is aimed at revitalizing the historic Hazel Dell district and promoting travel options. Here are some of the ways this incentive structure helps achieve these aims:

- **Incentive 1: 10% Average Daily Trip (ADT) Reduction for High Frequency Transit.** This is a trip reduction that reduces a developer's TIF liability if frequent transit service (30 minute or better frequency at peak hour) stops within half a mile of a proposed development.
- **Incentive 2: TIF Credits for Bicycle, Pedestrian, and Transit Amenities.** To receive up to \$1,500 TIF credit per feature installed, the applicant must submit the location and types of qualified amenities:
  - Pedestrian furniture
  - Bicycle racks
  - Ground-mounted pedestrian-scaled lighting
  - Information kiosks
  - Transit shelters
- **Incentive 5: Additional 10% ADT Reduction for Development in Designated Activity Center.** This encourages development in activity centers and reflects more frequent trip-chaining (internal capture with adjacent developments) due to the mix of land uses in centers.

Incentives for the Highway 99 Overlay Sub-Area also include TIF credits for certain signalization improvements, and an additional 5% BEF for under-represented uses. To qualify for the additional BEF, the applicant must submit a study that demonstrates that there are fewer than two similar businesses within a five-mile radius of the proposed location.

## Potential Modifications to the Incentives

The following are some potential additional incentives or modifications to existing incentives based on our previous survey of best practices. The County may, depending on its goals, choose to apply these modifications to the incentives county-wide or only to the Highway 99 Overlay Sub-area.

- For **Incentive 1** (Proximity to High Frequency Transit), some jurisdictions vary their TIF credit by both frequency and proximity, differentiating between C-Tran lines 71 and 25. The following is an example of how Clark County could choose to extend this incentive outside of the subarea and vary it:
  - Development fronts on a High Frequency line (20 minutes or less during peak period): 15%
  - Development within a half mile of a High Frequency line: 10%
  - Development fronts on a Medium Frequency line (40 minutes or less during peak period): 7%
  - Development within a half mile of a Medium Frequency line: 5%
- For **Incentive 2** (Bicycle, Pedestrian, and Transit Amenities), County staff should consider whether this incentive has been effective in getting street furnishings built. Some improvements, such as a transit shelters, may be more expensive to install than the TIF benefit being offered.
- For **Incentive 5** (Development in Designated Activity Center), the County may consider increasing the incentive. The City of Bellingham offers a 15% reduction in its Urban Villages, and the City of Vancouver offers a 30% reduction in the City Center subarea.
- Additionally, several jurisdictions offer an incentive for commitment to **Commute Trip Reduction (CTR)**, often at 10%.



## Incentives Cap

Depending on the menu of incentives offered, including the BEF, it may be necessary to cap the total trip reduction when all incentives are combined. The City of Vancouver has elected to cap its total incentives at 50%, and Clark County may elect to do something similar to achieve jurisdictional parity.

## Update to TIF Trip Generation Rates

Clark County establishes an official TIF Technical Document in CCC 40.620. The TIF Technical Document includes a table of Institute of Transportation Engineers (ITE) land uses and codes that have been adopted for use in fee calculations. The document also identifies the unit of measure, used for calculating Average Daily Trips (ADT) and a Pass-by reduction factor. The unit of measurement is derived using a broad sample of the same land uses throughout the country to arrive at a common trip generation rate. In addition, County staff maintains a list of ITE land use categories that qualify for the BEF. Trip generation factors in the TIF Technical Document are based on information from the ITE Trip Generation Manual 8<sup>th</sup> Edition. Table 1 below shows land uses for which trip generation rates have changed for the new 9<sup>th</sup> Edition, and which of these are currently eligible for the BEF.

**Table 1: Land Uses from TIF Technical Document with New Trip Rates**

Code	Land Use Category	BEF Applies?	Unit of Measure	ITE 8 <sup>th</sup> Ed. Trip Rate	ITE 9 <sup>th</sup> Ed. Trip Rate	Trend
130	Industrial Park	No	1,000 SF	6.97	6.83	↓
210	Single-Family Detached Housing	No	Dwelling Units	9.57	9.52	↓
255	Continuing Care Retirement Community	No	Occupied Units	2.81	2.40	↓
540	Junior/Community College	No	Student Capacity	1.20	1.23	↑
550	University/College	No	Student Capacity	2.38	1.71	↓
565	Day Care	No	1,000 SF	79.26	74.06	↓
610	Hospital	No	1,000 SF	11.81	13.22	↑
620	Nursing Home	No	Beds	2.37	2.74	↑
710	General Office Building	No	1,000 SF	11.01	11.03	↑
770	Business Park	No	1,000 SF	12.76	12.44	↓
813	Free Standing Discount Super Store	Yes	1,000 SF	53.13	50.75	↓
817	Nursery (Garden Center)	Yes	1,000 SF	36.08	68.10	↑
841	Automobile Sales	Yes	1,000 SF	33.34	32.30	↓
854	Discount Supermarket	Yes	1,000 SF	96.82	90.86	↓
862	Home Improvement Superstore	Yes	1,000 SF	29.80	30.74	↑
942	Automobile Care Center	Yes	1,000 SF	33.80	31.10	↓

Source: Trip Generation Manual, 8<sup>th</sup> Edition and 9<sup>th</sup> Edition, Institute of Transportation Engineers

The County has not updated the TIF Technical Document to reflect the 9<sup>th</sup> Edition of the ITE Trip Generation Manual, due to nominal trip rate changes. However, the comprehensive update to the TIF Program Administration is the ideal time to do so, therefore, we recommend that the TIF Technical Document be updated to reflect the most recent ITE Trip Generation Manual rates (currently 9<sup>th</sup> Edition). In general, all 800 and 900 series land uses should be considered eligible for the BEF. Nearly all of these land uses have pass-by factors that may also need to be updated to reflect the most recent studies included in the 9<sup>th</sup> Edition. Additionally, the



County may consider looking more closely at uses that vary by whether they include drive-through services, such as banks and restaurants.

Many 800 and 900 series land uses are not included in the TIF Technical Document as they are not typical uses in unincorporated Clark County. Similarly, land uses in the ITE Trip Generation manual with a sampling size less than 10 data points are not included in the TIF technical document due to the high variance and low confidence of actual trip generation rates. Development may choose to perform a trip generation study, collecting local, similar land use trip generation data. If approved by the County, this local data could then be used to calculate trip generation rates for the proposed development. However, the 9<sup>th</sup> Edition has added new land use codes and titles that the County may consider incorporating into the TIF Technical Document, including those outside of retail and service-related uses. Note that the trip rates for some new codes are based on a small number of studies. These land use codes include Data Center (160), Museum (580), Construction Equipment Rental Store (811), Variety Store (814), Recreational Vehicle Sales (842), and Truck Stop (950).